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NEWS SUMMARY

GENERAL

Iranians name envoys' liaison

Iran has appointed Mr. Sadegh Qothzadeh, Foreign Minister, to *liaise* between the Revolutionary Council and the student captors of the U.S. Embassy staff in *Tehran*.

Ayatollah Beheshti, secretary-general of the Revolutionary *Council, said the hostages* were expected to be released after an international tribunal, even if *convicted of espionage*.

The news agency Pars reported that Iraqi forces with mortars and heavy artillery had attacked a border post in the Kurdish region.

Heathrow crash

A Pan American Boeing 747 freighter from New York crash-landed at Heathrow Airport, London, late last night, caught fire and blocked a runway.

Floods kill two

Two people died in Merthyr Tydfil when storms caused flooding. South Wales was described as a disaster area; a helicopter rescued eight seamen from a tug off the Lizard as near hurricane-force winds swept the Cornwall and Devon coasts; and in Cumbria, an average week's rainfall fell in 24 hours.

Esso petrol up

Esso announced price increases *that will lead to a rise of about* 4p a gallon at the pumps. Back Page

Paris cash talks

France's National Assembly met *to decide what to do now that* the constitutional council has ruled illegal the procedures for adopting the 1980 Budget. Back Page; Editorial comment Page 10

B-test campaign

Hundreds of drivers may lose their licences as a result of the big police campaign against drink-driving over Christmas. The campaign is to continue into the New Year.

Rates threat

Some ratepayers might pay up to £130 more than those elsewhere if the Government introduces a "*uniform rate in the* pound," the Association of Metropolitan Authorities said. Page 4

Bargain hunt

Post-Christmas *sales started* briskly although retailers said weather had deterred some shoppers. Page 4

'Islamic N-bomb'

Pakistan has reported to Iran and Saudi Arabia that production is advanced on an "Islamic nuclear bomb," a Kuwaiti newspaper said.

Indians riot

Riots broke out in southern India as campaigning intensified before next week's general election. In one town, police used tear gas and demonstrators burned down 13 houses and shops and an oil mill.

Paws thawed

A *collie found frozen into the* Leeds-Liverpool canal at Armley on Christmas Day was still being thawed out, but was recovering well.

Briefly . . .

Two skiers died in an avalanche at Aosta, Italy, but three were rescued.

Thirteen people died and 17 were hurt in a train crash in *Mali, West Africa.*

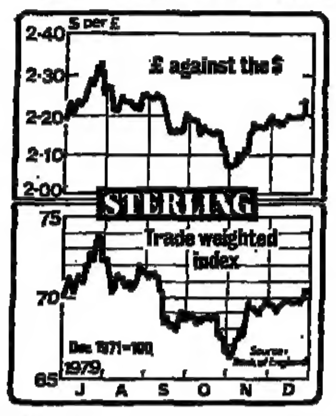
Maria de Lourdes Pintasilgo formally resigned as Portuguese Prime Minister.

France's 1979 wine output is the largest since records began in 1907 and quality is good.

BUSINESS

£ gains 3.27½c; Golds up 14.2

● STERLING rose 3.27½ cents *to $2.2400, its highest since mid-September, and its* trade-weighted index was 70.5 (69.8).



DOLLAR fell to DM 1.7165 (DM 1.7300), but its trade-weighted index was unchanged at 85.1.

● GOLD closed $23½ up in London at $511.

● *EQUITIES drifted lower, and* the FT 30-share index fell 2.8 to 414.7. But GOLDS followed *the rise in bullion and the* Gold Mines index closed 14.2 up at 276.4, its highest since September 1975.

● GILTS attracted little business, and the Government *Securities index fell 0.02 to* 65.46.

● WALL STREET was 1.45 up at $39.59 near the close.

● BRAZIL may need $15bn in new foreign loans next year, Finance Minister Karlos Rischbieter said. Back Page

● KLEINWORT Benson, the City merchant bank, is selling its 40 per cent stake in Kleinwort Benson McCowan, the New York fund management company it bought into three years ago. Back Page

UK recession may be short

● RECESSION in the UK will be shorter and shallower than in the mid-1970s, with Gross Domestic Product in 1980 down 1.4 per cent *from this year*, and an upturn in 1981, leading forecasters believe. Back Page and Page 4; Economic forecasts abroad, Page 2

● BL's agreement with Honda *for the UK group to produce* a car designed by the Japanese company could open the way for *further collaboration*, BL chairman Sir Michael Edwardes said. Back Page; Editorial comment Page 10

● MANY COMPANIES in the UK are using the lifting of exchange controls to lower their overseas debt rather than step up foreign exchange operations. Page 6

● INVESTMENT by manufacturing companies in Scotland is declining sharply, according to a survey by the Scottish Council for Development and Industry. Page 6

● CBI is about to launch the Business Attitudes Guide with information about industrial and social trends. Page 4

● FIVE ships of over 200,000 dwt *have been lost this year*—almost as many as in the previous 10 years. Page 4

COMPANIES

● VECTIS STONE Group, the building products and services and fuel distribution group, raised pre-tax profits for the year from £539,000 to a record £676,000. Page 12

● MATSUSHITA Electrical Industrial of Japan plans to more than double its capital outlays for plant and equipment in the 1980 business year to Y50bn (£95.3m) from an estimated Y23bn the previous year. Page 15

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Excheq. 12¼pc '85	£91⅛	+ ¼	Allied Colloids	133	− 3
BET Dfd.	121	+ 6	Babcock and Wilcox	104	− 4
Gold Fields Prop.	95	+ 8	ERF	92	− 3
Marlborough Prop.	33	+ 2½	Grattan Warehouses	106	− 4
Nichols (Vimto)	275	+ 5	HTV N/V	97	− 5
Sothebys	403	+ 10	ICI	356	− 4
Weeks Petroleum	345	+ 10	Lloyds Bank	304	− 4
Anglo American	585	+ 45	Metal Box	234	− 6
Cons. Gold Fields	381	+ 11	Tate and Lyle	146	− 4
East Rand Prop.	£11½	+ 1½	Taylor Woodrow	324	− 8
FS Geduld	£19¼	+ 1	Thorn Elec.	278	− 6
Gld. Mns. Kalgoorlie	181	+ 11	CCP North Sea	314	− 8
Minorco	315	+ 28	Siebens (UK)	398	− 10
Rustenburg Plat.	202	+ 18			
Western Hldgs.	£24¼	+ 2			

Death of guerrilla leader blow to Rhodesia ceasefire

BY QUENTIN PEEL AND MARK WEBSTER IN SALISBURY

THE Rhodesian *ceasefire* operation received two serious setbacks *yesterday* when it was announced that the military commander of the largest guerrilla force in the country was killed in a car accident in *Mozambique*, and a British ceasefire monitoring helicopter crashed killing its crew of three.

The death of General Josiah Tongogara, supreme military commander *of Zanla*, the military wing of Mr. Robert Mugabe's Zimbabwe African National Union, is likely to be a serious blow to the guerrillas command structure and to the ability of their commanders to enforce their side of the ceasefire, due to start today.

General Tongogara was regarded as the leading military negotiator for the Patriotic Front guerrilla alliance at the *Lancaster House peace conference* on Rhodesia. British officials said yesterday that he was "a key figure in both the political and military affairs of ZANU" and expressed their regret at his death.

He was reported killed in an accident on the way to his guerrilla headquarters at Chimoio, Mozambique. News of his beath on Boxing Day reached Salisbury as his military commanders were being briefed at Government House yesterday on their role in the ceasefire operation.

He had been undisputed head of the armed forces since 1972. There was no evidence of his death having been deliberate. But *he was seen as more* sympathetic than other ZANU leaders towards Mr. Joshua Nkomo, leader of the other wing of the Patriotic Front, at a time when the party is bitterly debating whether to maintain its *alliance with Mr. Nkomo during* the forthcoming election.

There is no doubt that Mr. *Nkomo's Zimbabwe African* People's Union wishes to preserve the alliance. But many ZANU cadres, especially within Rhodesia, believe the association would lose them votes at the poll. They are worried that their *alliance* with the rival Ndebele-dominated ZAPU party will lose them support among the Shona tribe.

The Puma helicopter in which three Royal Air Force men died was on a routine flight from Salisbury when it crashed 100 miles to the north-east near the town of Mtoko. A military official said there was no evidence to suggest that the helicopter had been shot down.

British officials said the helicopter, flying to pick up water pumps for a guerrilla assembly point in the area, hit a telegraph pole and either over*turned or somersaulted, bursting* into flames on impact. A full RAF inquiry is to be held.

In a separate incident, an RAF Hercules transporter was hit by a bullet when flying a ceasefire monitoring group to an assembly point near Umtali, but no one was hurt.

In spite of the shooting and *the accident, the commanders* of the Commonwealth monitoring force are determined to press ahead with the deployment of their men to more than 100 locations. They have to be in position by midnight tonight when the ceasefire is supposed to come into force.

However, the Rhodesian security forces reported a further 15 deaths in the guerrilla war yesterday — including 11 guerrillas, an auxiliary constable, and a 71-year-old white civilian. Both Lord Soames, the Rhodesian Governor, and Major-General John Acland, his military commander, have admitted that they do not expect a total ceasefire.

Bristol site for £24m Inmos microchip plant

BY JOHN LLOYD

INMOS, the semiconductor company which is backed by the National Enterprise Board, is to site its first UK production plant in Bristol, at a cost of around £24m.

The unit, planned to begin producing advanced memory chips by 1982, will create employment for around 1,000 people. The company's headquarters and UK technology centre is already established in Bristol.

The curious feature about yesterday's announcement is *that Inmos' intention to build* its first plant comes before there has been any official indication that Sir Keith Joseph, the Industry Secretary, has sanctioned the investment. Yet Professor Ian Barron, Inmos' executive director, said the second tranche of £25m, which awaits Sir Keith's decision, would be required for the plant.

However, it appears that Inmos is secure in the know*ledge that the Government will* back the new NEB board, which has recommended that the second tranche be paid. An Industry Department spokesman said last night that Government approval would "seem to follow as night follows day."

A second plant, which will, *unlike the first, be situated in* a development area, will be announced in 1982. It will be a larger unit than the first and will cost around £40m. Professor Barron said the extra money required to finance the second plant would come from profits generated by the company's early operations.

The two other areas on the short list of three which has been under consideration for *some months were South* Wales and Tyne and Wear. Last night Mr. Michael Campbell, leader of the Tyne and Wear Council, which had put up a package worth around £100,000 to Inmos, said the decision was "nothing less than a severe kick in the teeth" to development areas.

No private investment has yet *gone into Inmos, whose voting* shares are 70 per cent owned by the NEB, with the remainder split between the three founders —Dr. Richard Petritz, Dr. Paul Schroeder and Professor Barron—and the existing staff.

Professor Barron said, however, that the aim was to attract *private investment when the* company "reached maturity" in several years time.

The company has spent some £8m of the first tranche of £25m, much of which has been spent on the company's main development centre, in Colorado Springs, in the U.S. The U.S. development centre is currently *designing a 16,000 digit static* random access memory chip, and a 64,000 digit dynamic random access memory, which will go into volume production in the first UK plant.

Professor Barron said around *£16m will be invested in the* U.S. operations, representing around one quarter of total *initial investment.* *Some 70* staff are now employed in the U.S., with a further 60 in the Bristol headquarters.

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Editorial comment Page 10

Highland to fight £80m bid

BY JOHN MOORE

DIRECTORS of Highland Distilleries, the scotch whisky group with its The Famous Grouse brand, meet today to *plan their campaign to resist an* £80m takeover bid by Hiram Walker-Gooderham and Worts of Canada.

Hiram yesterday sent its formal offer document to Highland shareholders detailing its 130p per share cash offer.

On the London stockmarket *Highland's shares* fell 1p to 143p.

The bid was first unveiled at *the beginning of December* and prompted Highland to comment that "such an offer would not be *in* the interests of Highland and its shareholders." The mood was unchanged yesterday as Mr. *John Macphail*, the chairman, said: "We do not welcome the offer in the least. It will be fought vigorously."

Mr. Donald Dewar, the Labour MP for Glasgow Garscadden, has urged that the bid by the Canadian group should be referred to the Monopolies Commission, because the deal would *not give a "whit of advantage"* to workers in the industry or to consumers.

In its formal offer document Hiram says that it has a long standing position in the Scotch whisky industry. It first invested in Scotland nearly half a century ago.

Hiram has just begun a new capital expenditure programme to invest a further £30m, prin*cipally for increased bottling* capacity.

Explaining the reasons for its *offer Hiram says that an asso*ciation with The Famous Grouse brand will strengthen its foothold in the important UK market

Hiram is known for brands such as Ballantine's, Old Smuggler, Grand MacNish and Ambassador. It owns Canadian Club, Courvoisier and Salignac cognacs.

Highland plans to issue its rejection document before the January 18 closing date of the Hiram offer.

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Russian troops 'in Kabul fighting'

BY OUR FOREIGN STAFF

RUSSIAN TROOPS were actively involved in street fighting in Kabul, the capital of Afghanistan, yesterday, according ot reports received by diplomats in Washington and London.

While Iran's Pars newsagency reported Kabul Radio as saying Afghan President Hafizullah *Amin had been overthrown* in a coup and replaced by former Premier Babrak Karmal, U.S. State Department officials said reports were too "fragmentary" to be certain that a coup had taken place.

News of the upheaval follows a huge Soviet airlift of troops into Kabul over Christmas Day and Boxing Day. About 200 Soviet transport aircraft brought in ground troops variously estimated by diplomats at between 1,500 and 5,000. If the bigger estimate is accurate, then this airlift is the largest *by the Soviet Union* since the invasion of Czechoslovakia in 1968.

Moscow has been a close ally of Afghanistan since the Communist takeover in April last year. With Iran to the east, Pakistan to the west, the Gulf to the south and China to the north-east, its strategic importance to the Soviet Union is immense.

First reports of the Soviet *airlift came from Washington*, where the State Department on Wednesday protested against Russia's "blatant military intervention" in Afghanistan.

Diplomats in Islamabad reported last night that heavy fighting had broken out in the Afghan capital. They said tanks had opened fire on the main *road leading to Kabul airport*, past the radio Afghanistan building. Artillery and automatic rifle fire was reported. Tanks were also seen moving towards the People's Palace, residence of President Amin.

The firing began about 9 pm local time (17.30 GMT), and coincided with the unconfirmed Kabul *Radio report* that Babrak Karmal had fought his way to power. Mr. Karmal, leader of the Parcham (Flag) faction in the Afghan People's Democratic Party, has close ties with Moscow. He was purged by former Prime Minister Nur Mohammed Taraki last year and was sent abroad to Prague *as ambassador. Later charged* with terason, he never returned to Kabul to face trial.

Jurek Martin writes from Washington: The State Depart-

Continued on Back Page
Moscow takes events into its own hands, Page 2

Dollar falls as gold nears $520

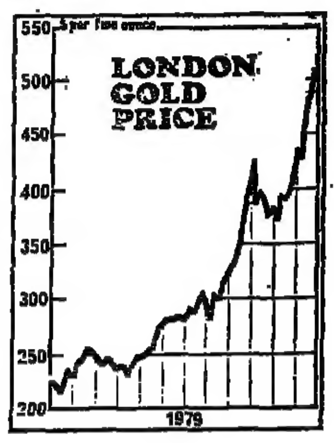
BY DAVID MARSH AND JOHN EDWARDS

GOLD HIT a new peak of almost $520 per ounce on the international bullion market yesterday as the dollar came under further pressure and sterling rose 3½ cents to its highest level since September.

The renewed price *surge*, following on from gold's advance to beyond the $500 *level in New York on Wednes*day, was accompanied by further speculative buying of other precious metals.

Silver, platinum and palladium all soared to record levels.

Gold rose to $511 per ounce in a shortened trading session in London yesterday, up $23.5 from Christmas Eve, and then made further gains to a high *of around $519 in New York.*



Tension between the U.S. and the Soviet Union over Afghani*stan, as well as the continued* deadlock over the American hostages in Tehran, were the *main* factors behind the price gains. Trading activity in most markets was, however, fairly thin.

The gold price has now risen by about $140 in less than two months, and has more than doubled since May.

The major central banks are clearly worried by the destabilising implications of the price rise, especially its effect on the dollar, which weakened *almost to a record low against* the Deutschemark yesterday.

The Bundesbank gave some *intervention support to the* dollar yesterday as it slid to DM 1.7165 from Monday's DM 1.7300. This was only *slightly above the record low of* around DM 1.7050 on December 3.

The dollar was also lower against other main Continental currencies although it rose slightly against the yen.

Silver rose to more than £12 an ounce for the first time ever. On the London bullion market the spot price quotation at the morning fixture was raised by 119.9p to 1,235.0p a troy ounce.

On the London Metal Exchange silver market the cash price closed at the end of the afternoon trading session at 1,227.5p, 173.5p higher than the closing price last Friday afternoon. Silver has now tripled in value since August.

Free market platinum prices also broke into new high ground *yesterday rising above £300 for* the first time with a gain of £18.25 to £311.45 ($700) a troy *ounce. Platinum prices have* risen steadily since October 1977 when the free market was around

Steel men expect offer

BY ALAN PIKE, LABOUR CORRESPONDENT

STEEL UNION leaders believe that they will receive an improved pay offer at a crucial meeting today which will determine whether a national steel *strike goes ahead next week.*

However, they do not have any indication of what form the offer will take or whether it will be sufficient to enable them to call the strike off.

Senior British Steel Corporation representatives met yesterday to prepare their strategy for this afternoon when they will meet *full negotiating teams* from the Iron and Steel Trades Confederation and the National Union of Blastfurnacemen.

The unions rejected an original offer of consolidation worth 2 per cent nationally plus the possibility of another 10 per cent through local productivity deals. Last week, BSC offered a *further 3 per cent in return for* suspending the industry's guaranteed week agreement.

● Stormy weather yesterday prevented the U.S. coking-coal ship Casparia from testing the blockade of Newport docks called for by Welsh miners in protest against BSC's decision to increase coking-coal imports and *the Government's refusal to* introduce a temporary subsidy for domestic products.

Steel buyers wait and see Page 4

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OVERSEAS NEWS

Fears of 'another Iran' in Turkey

BY METIN MUNIR IN ANKARA

CONCERN IS growing in Turkey that the current wave of political terrorism may get out of hand and the whole country may find itself thrown into violent disorder reminiscent of *Iran.*

Newspapers reported yesterday that on Wednesday, eight people had been killed in incidents connected with political violence. One incident, in Istanbul, involved a boy aged 13, who had disobeyed a military patrol's command to halt. Wednesday's death toll was more or less average.

Fear for one's life is becoming universal, as is — more ominously — distrust in the authority of the State. "If things go on like this, we will have either a civil war or a coup, or both," a former Social Democrat Cabinet Minister said. Increasingly, one encounters people of widely differing political views, who hold the same view.

"We have to draw a lesson from Iran, Pakistan and *Afghanistan and come to our* senses—if fratricide does not stop, things will deteriorate," Mr. Vehbi Koc, a senior Turkish industrialist, said. Mr. Nurettin Yilmaz, an Independent Deputy, has warned that the country "is swiftly being dragged into a dictatorship."

The terrorism springs basically from differences *between extreme* Right-wing and Leftist factions. It is fed by the economic crisis, inflation and poverty.

An intricate web of groups and interests are exploiting the bloodshed and *contributing* to it. A Turkish "Mafia" smuggling arms with money made from drug-trafficking, Kurds, sectarian minorities, and outside forces are a few of the elements. *Almost all political* parties, unions and associations are taking sides.

Successive Governments have been unable to protect the uncommitted liberal sector from attacks by the terrorists, and are beginning to lose the allegiance of this vital group. *The terrorists are choosing their* targets from among these moderates to force their *dwindling* numbers into submission or taking sides.

The recent growth in *violence* is interpreted as a move to demonstrate that Mr. Suleyman Demirel, the Prime Minister, will be as powerless as his predecessor. *Mr. Bulent Ecevit*, to cope, and that dictatorship is the only way.

The lack of consensus among the political leaders is probably Turkey's weakest point against the onslaught. The police force *and intelligence* organisations are badly paid, trained and equipped. Worse, they are as *divided and politicised* as the nation.

The army, which is trying to *maintain* law and order in 19 of the country's 67 provinces under martial law, seems to be *equally helpless.* It is *not* trained to fight terrorists.

Mr. Demirel has sworn to do *his best "to break the back of* the snake," and to "drive at the roots of organised terror." He *has given a free hand to the* army which was restrained by Mr. Ecevit.

Also, *there are indications* that the Army is beginning to crack down impartially. Left- and right-wing organisations have recently been shut down, *following illicit demonstrations.*

Mr. Demirel has also prepared a number of anti-terrorist Bills

Prime Minister Demirel

for which he has demanded Parliamentary support. But it is unlikely he will get backing where he needs it most—from Mr. Ecevit's Social Democrats.

The mass-circulation daily *Hurriyet recently* confessed to "helplessness" in the face of terrorism. Until Communism *or Fascism predominated in* Turkey, violence would continue, the paper said.

Oil price rise hits Dutch payments

By Charles Batchelor in Amsterdam

THE NETHERLANDS has recorded a *large* deficit of Fl 1.45bn ($730m) on its balance of payments current account in the third *quarter* of 1979, largely due to the rise in price of oil.

The latest figures confirm the recent warning by the Central Planning Office that the Netherlands would have a *payments deficit of* Fl 1-2bn ($520-1,040bn) this year instead of breaking even as was *forecast in September.*

The third quarter deficit, which is seasonally corrected, compared with a surplus of Fl 425m in the preceding quarter and a deficit of Fl 545m in the first 1979 quarter, the Finance Ministry said. In the whole of *1978* the Netherlands had a deficit of Fl 2.17bn, on a seasonally adjusted basis.

Following surpluses in the second quarter of the year both visible and *invisible* trade was in deficit in the most recent quarter. Visibles *showed a deficit of Fl 1.14bn* owing largely to higher oil prices. While imports rose *6.5 per cent in value, exports* rose only 2.5 per cent.

The latest balance of payments *figures emphasise the need* for an improved system of indexing the price of Dutch *natural gas to that of oil.*

The price of imported crude oil rose 20 per cent in the third *quarter compared with a rise* of only 6 per cent in the Dutch gas price, the Finance Ministry said.

Mr. Gijs van Aardenne, the Economics Minister, recently began negotiations with foreign purchasers of gas *aimed at speeding up the* adjustment of gas to oil prices.

Invisible trade showed a deficit of Fl 310m *in the* third quarter compared with a surplus of Fl 340m in the preceding quarter.

David Dodwell assesses the latest Afghan upheaval

Moscow takes events into its own hands

THE Soviet Union, impatient with the Afghan Government lead by Hafizullah Amin, has evidently taken events into its own hands. A coup is reported to have come as a climax to a *huge* two-day Soviet troop airlift into Kabul. If early reports are confirmed, it is the biggest *Soviet troop mobilisation since* the invasion of Czechoslovakia in 1968.

Iran's Pars newsagency reported Kabul radio last night as saying that Hafizullah Amin has been overthrown and replaced by Babrak Karmal, a former Afghan Vice-President and Deputy Prime Minister under Nur Mohammed Taraki. Mr. Karmal's loyalty to Moscow is beyond doubt.

These *latest* upheavals in Afghanistan increase concern about the growing instability in the region. They raise fresh questions concerning Soviet intentions in the Islamic world, and will no doubt give the anti-American Government of *Ayatollah Khomeini some cause* for thought.

The upheavals come as a *climax to 21 months of turbulent* Communist rule in Afghanistan. The struggle for power *among leaders of the* Communist Kalq party has been constant. Armed opposition to the *régime* by conservative, strongly religious and almost xenophobic Afghan tribesmen has been equally constant, and has been extremely effective.

Reports of the events of the *past two days in Kabul* are still extremely confused. It is unclear how many Soviet troops have been airlifted into the country, and how they have been deployed.

Diplomats in New Delhi and Islamabad have reported more than 200 flights to Kabul since Christmas Day by Soviet Antonov transport planes. The number of troops *airlifted* into the capital is variously estimated at between 1,500 and *5,000.*

Whatever the number, the build-up has been recognised as *ominous, particularly by* U.S. diplomats, for some days. It was for this reason that the *State Department protested on* Wednesday over the "blatant military interference" of the *Soviet Union in Afghanistan.*

Hafizullah Amin (right), reported to have been deposed in a coup only four months after himself taking power

There are no reliable estimates of Soviet troop strength in Afghanistan before the latest airlift. Between 2,400 and 4,800 Red Army riflemen are understood to be guarding the main Bagram airbase near Kabul.

At least 1,500 technicians are there to service aircraft and other modern weaponry, while about 2,000 Soviet *advisers are* believed to be attached to Afghan Government departments.

In the confusion surrounding yesterday's events, it was at first unclear whether the latest increase in Soviet troop strength was in support of Mr. Amin, a hardliner who shot his way to power in mid-September, or against him.

Mr. Amin has never been popular with the Soviet Union since *he came to power.* Taraki was overthrown by Amin just three days after returning from *Moscow where he had won solid* Soviet backing for his policies.

Since then, constant criticism of *Amin's style of government* by Mr. Alexander Mikhailovich Puzanov, Soviet ambassador to Kabul, *has prompted numerous* Afghan demands that Mr. Puzanov be recalled to Moscow. *This was done only recently.*

When Mr. Amin came to power, he promised stability within 30 days. *Since then,* rebel activity has continued unabated and the Soviet advisers serving his government seem to have seen no signs of a change in policy likely to reduce rebel *opposition to the Government.*

From the outset, it was improbable that Soviet troops *should be called in to launch* any fresh assault against rebel tribesmen who have been particularly *active in the mountainous* eastern provinces of the country.

Heavy snows are imminent in Afghanistan, and this was expected to impose severe *limits on military activity in the* area in the months ahead.

The success of rebel activists, *while a constant irritant, is no* sufficient reason for the Soviet Union to pull the mat from under Mr. Amin. *While rebels* are understood to control most of the countryside, forces loyal *to the Afghan Government are* in firm control of all towns and cities.

In addition, rebels in the northern province of Paktiar took a sound beating in October, suf*fering considerable casualties in* a major air and ground assault mounted jointly by Afghan and *Soviet troops.*

Italian police 'breakthrough' on terrorism

BY PAUL BETTS IN ROME

ITALIAN POLICE and security forces may have made a *breakthrough in their* anti-terrorist investigations, largely as a result of information said to have been given by a university lecturer arrested on alleged terrorist charges.

Police and magistrates are *building up evidence which* could confirm the existence of links between the various terrorist groups operating in the country since 1971 and extreme *left-wing student movements,* and further links between terrorists and ordinary *criminals.*

The latest developments follow a widescale police dragnet leading to the arrest of 18 suspected terrorists in a number of cities in the industrial north of the country as well as in Rome.

The arrests *followed* the introduction before Christmas of emergency measures to combat terrorism. The Government package gave police greater powers of interrogation and searches, and aims at concentrating and reinforcing police operations *in northern Italy,* which has been particularly afflicted by the recent revival *of political violence.*

According to some reports yesterday, extremist movements —*organised*, it seems, principally by some left-wing university professors and lecturers — *turned* to ordinary criminals to help them raise funds for their subversive activities through bank robberies and kidnappings.

Extreme *left-wing terrorists* meanwhile launched a further concerted series of attacks in a *number of Italian cities just* before Christmas. Four people were shot in the legs, including *a doctor and an employee of the* Fiat car group.

Israeli settlement target 'could hit peace plan'

BY ROGER MATTHEWS IN CAIRO

ISRAELI PLANS to spend $300m on developing Jewish settlements on Arab land in the next fiscal year, approved by Government ministers and the World Zionist Organisation on Tuesday, have not outwardly ruffled Egypt but many officials in Cairo feel they further *reduce chances of reaching any* real agreement on Palestinian autonomy before the target date *of next May.*

However, such doubts cannot be voiced publicly as they *counter the vigorous optimism* shown by President Anwar Sadat, who repeated on Christmas Day that agreement would be reached and perhaps well before the target date.

The Israeli announcement—that it was planned to double the *Jewish population of the* occupied West Bank and Gaza Strip—within 18 months was anyway greeted with some derision in Cairo. Officials pointed out that even if Israeli *figures claiming 16,000 Jewish* settlers in the occupied territories were to be *believed*, this had taken over 12 years to achieve. It was surely absurd, they *argued, for Israeli ministers* to think they could find another 16,000 people ready to *move there in the next 18* months.

Dr. Mustapha Khalil, the *Prime Minister,* and Dr. Boutros Ghali, Minister of State at the Foreign Office, discussed the issue *yesterday* as part of the preparations for President Sadat's meeting with Mr. Menahem Begin, the Israeli Prime Minister, scheduled for January 7.

It is considered unlikely that President Sadat will issue any *direct threats against Israel* as a result of the latest developments. The Egyptian leader has *already* pledged *himself* to further steps on the road to normalisation of relations and *an Israeli delegation* is due in Cairo this weekend to decide on the siting of the new embassy *here. Although ambassadors* are not due to be exchanged until *February 26, President Sadat* has indicated it could take place before then.

President Sadat's continued willingness to accommodate most Israeli wishes has left his *negotiators dealing with* Palestinian autonomy in something of a dilemma: their main bar*gaining cards are being progres*sively reduced while President Sadat is expressing ever increasing *optimism.* President Sadat has already stated that he expects his new round of talks with Mr. Begin will be difficult, while there is still no indication *of how or when the promised* breakthrough will occur.

Reuter adds: Egypt yesterday rejected statements by Mr. Begin that Israel would *maintain* control over the West Bank. A Foreign Office official said this violated the Camp David accords.

Mr. Begin was reported to have made the statement in Kiryat Arba, on the outskirts *of Hebron* in the West Bank on Wednesday, when he also *denied before the Knesset* that the proposed automony plan for the West Bank and Gaza Strip *would lead to the establishment* of a Palestinian state. "Israel has never viewed these territories as occupied lands. The Jewish people has an inalienable right to them," he said.

Our foreign staff adds: Mr. Begin yesterday warned Israel's armed forces had to remain on guard against a continuing military threat posed on its border with Syria. He was speaking to members of a tank corps unit near a West Bank settlement.

Mr. Begin's views strongly reflect those of military analysts in Tel Aviv who feel the threat presented to Mr. Assad's Government in Syria by the Moslem Brotherhood might provoke him into a military adventure to divert attention from domestic troubles. This, they fear, could spark off a new Middle East war which could drag other Arab states, including Egypt, into the fighting.

Way cleared for Sa Carneiro

By Our Lisbon Correspondent

PORTUGAL'S new Government, headed by Social Democrat leader Dr. Francisco Sa Carneiro, is expected to take office this weekend — three weeks after winning the *national elections.* President Antonio Ramalho Eanes yesterday received Sra. Maria de *Lourdes Pintasilgo*, caretaker Prime Minister, at Belem Palace where she formally re*signed.*

Dr. Sa. Careiro reportedly already has his ministerial *team ready for nomination* and is expected to present his governing programme to Parliament on *January 3.*

French retailers sign prices pact

BY DAVID WHITE IN PARIS

FRENCH RETAILERS have *signed agreements with the* Government aimed at calming consumer fears about what will *happen when price curbs are* lifted on January 1.

The Government announced *last week that the dismantling* of controls, which have already been lifted on most in*dustrial prices,* would be extended to retail margins. The only exceptions would be essen*tial foodstuffs* such as fruit, vegetables and meat, which are subject to special price regulation.

To fulfil the conditions *attached to the measure*, large store groups have pledged a three-month freeze on food *prices. They have also promised* to make price reductions on some other goods at the begin*ning of the year* for *instance,* special offers on household appliances.

This agreement, which will no doubt have repercussions on small shopkeepers' prices as well, is designed to prevent the sudden upsurge of which consumer organisations have warned. It is also designed to put pressure on suppliers who have announced price increases for the beginning of the year.

Other shopkeepers' organisa*tions agreed yesterday on mea*sures to aid consumers, including a clearer display of prices, but without *any commitment* on limiting increases.

The agreements do not in any case constitute *a legal con*straint, a spokesman for the National Trade Council made clear. The Government will *not* carry out checks, nor will it be able to impose sanctions if the agreement is broken.

ECONOMIC FORECASTS: DOUBT ON GROWTH

Europe 'to experience slowdown'

By John Wicks in Zurich

ECONOMIC GROWTH within Europe in the 1980s should *average an annual 2.7 per cent* in real terms, Prognos AG, the Basle-based economic research company, *says in its* Euro-Report.

Slowest progress is expected *in* Switzerland and the UK, where Gross Domestic Product is seen increasing by only about 2 per cent annually at 1970 prices. In Spain and Ireland, comparable *expansion* is put at more than 4 per cent.

For next year take alone, Prognos *forecasts a slowdown* in Western European economic growth. By the end of 1980, GNP *expansion is expected to* drop to 2-2.5 per cent in real terms.

Projections for labour supply and demand point to a growing discrepancy between the *number of available work-places* and labour potential. In 1978 more than 8m persons are *estimated to have been* unemployed or probably looking for a job but not registered as unemployed, *in the European* Community alone. This figure is expected to rise to about 11.5m by 1984 and 13.5m by 1990.

Inflation differentials in Europe are likely to threaten exchange-rate stability, the report adds. *It forecasts* constant revaluation pressure on the D-Mark and a continuing trend to devalue other currencies *such* as the lira, the Danish crown, sterling and the punt. The franc is seen as *unable to maintain its position* against the D-Mark within the European Monetary System.

The dollar is *expected* to "depreciate continuously" in the wake of persistent U.S. balance of payments deficits

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W. Germany fears wage-price spiral

BY ROGER BOYES IN BONN

THE West German Government fears the sharp oil price rises announced at the recent OPEC *meeting in Caracas could* seriously undermine its growth, employment and anti-inflation *plans for 1980.*

Count Otto Lambsdorff, the Economics Minister, warned this week that Germany's role as an exporter would be hit by cutbacks in European and U.S. *imports* from Germany and elsewhere, to pay for more expensive oil. Government *officials have meanwhile* expressed alarm at the prospect of some OPEC countries cutting oil production next year—leading naturally to a steep *increase in "imported inflation"* for Bonn.

The Economics Ministry, the Central Bank and the Employers Federation *seem to agree that* the most powerful impact of the latest OPEC increases will be the real possibility of a wage-price spiral. The monthly Economics Ministry review of the economy yesterday stressed that *both stable growth and employ*ment would be threatened by high wage settlements.

The two leading trade unions in the country — the metal workers and the public sector *employees — have already put* in unusually high wage claims of between 9 per cent and 10.5 *per cent. While these will be* whittled down in negotiations over the next month, the Government is concerned that the unions will be reluctant to give ground on wage levels because of the OPEC decisions.

The Economics Ministry said the *1980* inflatio noutlook was "causing serious concern." Government experts and most *of the country's leading* economic institutes were in *broad agreement* earlier this year that inflation in 1980 would reach between 4 and 5 per cent, growth between 2.5 and 3 per cent and that unemployent would stay relatively stable, below 1m.

It is becoming increasingly clear, however, that these forecasts will have to be revised—the IFO Economic Research *Institute* has already indicated that it may scale down its growth prediction—in the light *of the oil price rises.* Dr. Otmar Eminger, the outgoing Bundesbank president, has also warned that if wage settlements are above 6 per cent this winter, West German growth will drop below the forecast 2.5 per cent level for 1980.

Chancellor Helmut Schmidt has said the OPEC decisions will not prompt compulsory *energy savings measures*, such as speed limits. However the *Chancellor — anxious to avoid* bitter labour disputes in an election year — has called on employers to keep price rises down to reasonable levels.

Count Lambsdorff has been particularly critical this week about concrete pricing forecasts —*made by the oil companies.* Dr. Hellmuth Buddenberg, chairman of Deutsche BP, said *in an interview that the Caracas* decisions would add another DM 0.1 to the price of petrol and *heating oil* and that the super brand would cost DM 120 (35 pence) per litre from next *year.*

The Economics Ministry stressed that the only way Germany would maintain moderate growth and brake drastic price increases was if it kept within the Bundesbank's recently announced money supply growth target of between 5 and 8 per cent.

Yugoslavia curbs incomes

By Aleksandar Lebl

THE YUGLOSLAV *Federal* Parliament has adopted a resolution curbing personal incomes and consumption in 1980. Imports of all non-essentials will also be curtailed.

The resolution permits wages and salaries to increase 5 per cent *less than the incomes of* organisations engaged in activities such as manufacturing and *mining, and 8 per cent less* than the incomes of trading organisations, banks and in*surance companies.*

The rise in incomes of these two latter sectors have not been *specified*, but will be regulated through price and other controls.

The balance of payments deficit will not be allowed to *exceed $2bn, compared with* this year's estimated $3bn. Each constituent republic and *autonomous province has been* assigned a ceiling for its share in the deficit.

Republics and provinces could not reach agreement on their respective shares, so the *Federal Government, backed by* the State presidency, used its authority to decide the matter.

Industrial production has been set to increase by 6 per cent in real terms, agricultural production by 3 per cent, and labour productivity by 2.5 per cent. Investments are targeted to increase 6 per cent, and *exports 6 per cent by volume,* with imports to be kept in line.

Investments will be concen*trated in production facilities* and infrastructure. Special attention will be paid to import *substitution and to production* for exports. Prices will be kept under tighter control to reduce inflation, which is expected to exceed 20 per cent this year.

At the same session, the Federal Parliament passed the 1980 Federal Budget amounting to dinars 128bn (£3.2bn), or 28 per cent more than this year's Budget, as revised upwards.

Japan could fail to meet official target

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

PRIVATE forecasts on the performance of Japan's economy in *fiscal year 1980 released during* the last few days fall well short of the 4.8 per cent real growth *figure adopted by the Govern*ment in its official economic projection last week.

Of a total of six forecasts released by well-known research institutions, two—from the Fuji Bank and Keidanren, Japan's equivalent of the CBI—put the growth rate at 4.0 per cent.

Two others—Sanwa Bank and the Mitsubishi Research Institute—opt for a growth rate of only 3.5 per cent. In between come the Yamaichi Research *Institute with 3.8 per cent* and the Japan Economic Research Centre which sees a growth rate *of 3.9 per cent.*

The private forecasters seem to believe that the impact of *higher oil prices and tight* money on Japanese domestic demand in the first half of fiscal *1980 (April to September)* will be more severe than the Government expects, while recovery in *the second half (October, 1980,* to March, 1981) will be slower.

Some also expect a lower rate of export recovery, although all agree that exports, rather than domestic demand, will provide the main impetus behind the economy for most of the year.

Private forecasting agencies also *seem less optimistic than* the Government about the price outlook for next year. The official forecast of a 6.4 per cent increase in consumer prices *contrasts with a Keidanren esti*mate of 7.3 per cent and the Fuji Bank's 8.7 per cent.

An important element in the price picture is the extent to which public utilities raise their charges in early 1980 in order to absorb higher fuel costs. Fuji Bank says that 3.8 per cent out *of the 8.7 per cent price rise* for the year will be the result of public utility rate increases.

Private estimates of Japan's international balance of payments position in 1980 range *from a "low" of $5bn for the* current account deficit to a "high" of $15bn.

The consensus would seem to be *that Japan may be in the* red by around $9-11bn during the year—an improvement on *the deficit of at least $12bn* which is now anticipated for fiscal 1979. No Japanese forecaster expects *a return to* surplus in fiscal 1980.

The private forecasting agencies, while generally less *optimistic than the Govern*ment, still support the view that Japan's economic growth *will be well above the OECD* average next year

Indian outlook gloomy as output declines

BY K. K. SHARMA IN NEW DELHI

INDIA'S Reserve Bank has *painted a gloomy picture of* the country's economy, projecting a fall in gross national *product for the financial year* 1979-80 (ending next March) because of a drop in both industrial and agricultural production at a time when the annual inflation rate has exceeded 20 per cent.

In its annual report on currency and finance, the Reserve Bank has said that although aggregate investment during the year ended last June has improved, the tempo of *industrial production* in the first half of 1979 has slackened considerably owing to *infrastructural* inadequacies.

There has also been a marked decline in the pace that foreign exchange reserves *are increasing.* Reserves have risen rapidly over the past four years to stand at over $7bn *and have acted* as a cushion against potential internal difficulties.

***In the context of the growing inflationary pressures,* the Reserve Bank report says the *constraints on industrial pro*duction are growing more serious as transport bottlenecks are exacerbated by energy shortages and low electricity generation.**

Restrictions on money supply and credit will have to be maintained so that the impact of high liquidity and demand pressures is minimised, the report says, but there is need for measures to improve the working of the economy so that the *supply of goods improves.*

The Reserve Bank points out that the drought in the *summer has been aggravated* by the unfavourable south-west monsoon and that *summer foodgrain output* could drop by as much as 9m tonnes over last year's 79m *tonnes. Winter* crop prospects are not yet clear, but the year's food production could *be lower* by at least 10m tonnes over the previous year.

The Reserve Bank report could have an effect on the coming general election on January 3 and 6. Mrs. Indira *Gandhi,* the former Prime Minister, has been saying that the economy has deteriorated sharply during the period she has been out of power.

***Although the deterioration is partly due to the drought, she* is bound to blame it entirely on mismanagement by the two *governments that succeeded* her.**

The Reserve Bank points to *the international factors* at work and the adverse impact these could have on the economy, especially because of the rising price of oil and raw materials. It suggests that *improvement in the* economy and containment of *inflationary* pressures will require considerable skill in management of limited supplies of both agricultural and *industrial goods,* improvement in power and transport needs and increased efficiency in both public and private distribution machinery.

Strong growth in China

BY TONY WALKER IN PEKING

CHINA HAS reported strong industrial growth rates in the latter part of this year. According to figures released yesterday, gross output in light and textile industries increased 15 per cent compared with a similar period last year, while heavy industry showed a 10 per cent increase in gross output.

Growth in industrial production sharply increased the availability of consumer goods, reflected in the 10 per cent increase in retail sales over the past year.

In line with its programme of economic readjustment China postponed or cancelled 330 new new projects. Two thousand factories were either closed down or shifted to the manufacture of other products.

Iran to renegotiate Soviet gas deal

BY SIMON HENDERSON IN TEHRAN

IRAN HAS begun talks with the Soviet Union on renegotiation of the contract to send gas to Russia along the IGAT-1 pipeline.

Mr. Ali Akhbar Moinfar, the Oil Minister who is also responsible for gas production, said in a newspaper interview yesterday that he had met the Soviet ambassador in Tehran on Monday. He claimed that the Soviet ambassador was symphetic to the Iranian view adding that there would now be a series of bilateral talks.

Iran wants to sell less of the associated gas, which comes from its southern oilfields and at a higher price. It has already cut back gas supplies because of the reduction in its oil production which now stands at about half the pre-revolutionary figure.

During the slowdown in oil production preceding the revolution gas supplies also stopped, leading to a chilly winter in southern Soviet republic of Azerbaijan, Georgia and Armenia where it is used in homes and industry.

Even now production is said to be less than half the contracted 28m cubic metres per day. Mr. Moinfar said exports would be further reduced after setting up of a gas supply network in Iran. At present IGAT-1 only supplies a few Iranian cities.

One of the earlier decisions of the new revolutionary government in Iran was to cancel a second pipeline, IGAT-2, which would have carried natural gas to the Soviet Union. Under a swop arrangement gas from other parts of Russia would then have been sold to Western Europe.

The sale of gas supplied through the 687-mile IGAT-1 pipeline is a major part of Iran's trade with the Soviet Union. In return Iran buys Soviet trucks and military equipment as well as some consumer goods.

Reuters add from Tokyo: Resumption of construction work on a joint Japanese-Iranian petrochemical complex at Bandar Shapur will have to be postponed until next March at the earliest, according to Mitsui.

The project, held up since the Iranian revolution, was to have been resumed last month, but the National Petrochemical Company of Iran (NPC), the Iranian partner, has raised questions on additional severance pay to Iranian workers discharged early this year.

UK tools escape U.S. curbs

By Ian Hargreaves in New York

A BRITISH machine tool company is to be allowed to continue to import sophisticated grinders to the U.S. although the imports violate U.S. tariff laws.

The International Trade Commission refused to take action against the illegal imports because it found that no domestic manufacturer could supply similar machines within the time span required by Ford Motor, the customer.

The case, which has been under investigation for a year, involved the sale of eight automatic crankpin grinders worth $2m by Newall Machine Tool of Peterborough. Landis Tool, a subsidiary of Litton Industries, complained to the Commission that the imports violated certain patent rights.

The five member panel from the Commission agreed unanimously that there was a violation of tariff law but then voted three to two against taking any action to prevent a repetition of the imports or to seek to impose penal duties on the British company.

Peking seeks changes in recent foreign technology agreements

BY TONY WALKER IN PEKING

CHINA'S IMPORTATION of advanced technology and equipment will be aimed at increasing self reliance, according to Mr. Li Qiang, China's Foreign Trade Minister.

In an interview with China's foreign trade magazine, Mr. Li admitted that in the past importation of technology and equipment had been haphazard. He said that, as a result, some agreements recently entered into would be altered. "Both sides may seek a rational solution through friendly consultations," he said.

Mr. Li said China wished to import machinery for exploiting coal, oil, non-ferrous metals and for building power stations.

"China is also going to import some advanced technology and equipment for the light and textile industries as well as for communications and transport," he said.

These purchases would be paid for through overseas loans. However, the foreign trade minister made it clear that China would exercise caution in new purchases.

"The major and most reliable approach to raise China's ability to pay for advanced technology, equipment and other imports is to increase exports," he said. "Therefore, both during China's economic readjustment and in subsequent years of construction, we will pay considerable attention to expanding the production of export commodities so as to increase our exports and raise our ability to pay."

Mr. Li predicted that the present period of economic readjustment would strengthen China's ability to export textiles and light industrial goods.

He said China was reforming its foreign trade organisations to increase its competitiveness.

Israel lifts duties for EEC

By L. Daniel in Tel Aviv

ISRAELI CUSTOMS tariffs on over half of Israel's imports from the EEC will be abolished entirely on Janustry 1 as part of Israel's agreements with the Common Market. The goods concerned currently account for $1.8bn of total Israeli imports from the area worth $3bn a year.

The products affected are mainly raw materials and semi-finished goods, as well as items not made in Israel.

Rockwell Europe move imminent

BY ELAINE WILLIAMS

A DECISION on the siting of a big microelectronics factory in Europe by Rockwell International, the US company, is expected within the next few weeks.

For months talks have been held between Rockwell and development agencies in the UK and Ireland, but the most likely siting appears to be either Ireland or Scotland.

After initial talks with officials of the Scottish and Irish development agencies in October, another round of negotiations began this month.

During the first round of talks, Irish officials showed Rockwell factory in Dublin, Cork and Limerick, all of which are near universities which can provide expertise the company will need for the plant which will cost between £10m and £30m, depending on the number of employees.

The plant will employ between 800 and 2,000 workers and will make standard microelectronics components to be sold throughout Europe.

The latest talks were more specific: working out what incentives could be offered by the various agencies.

Before the final decision is made, it is likely that Rockwell will submit detailed proposals to two or perhaps three development agencies.

China imports increase by 33%

PEKING—China's exports totalled 20.14bn Yuan (£6bn) by December 22, an increase of 26.7 per cent over the same period last year, while imports amounted to 2.83bn Yuan, up 32.7 per cent, the New China News Agency said.

Major imported items included machines and equipment for the country's modernisation programme. Imports of materials for agricultural use, including chemical fertiliser, and raw materials to make textiles and consumer goods were expected to be 33 per cent higher than in 1978 by the end of this year.

Meanwhile, China's official foreign trade magazine said U.S. import restrictions on Chinese goods must be lowered if it wanted to trade with China.

The statement came in an article by Mr. Sun Suochang, head of the department in the Chinese Foreign Trade Ministry that deals with U.S, trade.

Mr. Sun said that while Sino-American trade has been making rapid headway, the unfavourable balance on the Chinese side has been widening.

"If the U.S. wishes to trade with China, it is imperative that barriers restricting China's exports to the U.S. be lowered. This will strengthen our ability to purchase U.S. products," Mr. Sun said.

Reuter

WORLD DEMAND FOR AIRPORTS

Intense competition in race for £20bn contracts

BY LORNE BARLING

AIRPORT CONSTRUCTION and equipment contracts around the world worth an estimated £20bn are expected to be placed over the next few years. This is creating intense competition among leading suppliers of radar and other electronic aids, and among large civil engineering companies.

Although the growth of the world airline industry has slowed in recent years, from nearly 15 per cent to perhaps half that figure, world demand for airports in both industrialised and developing countries is still strong.

The cost of a new airport can be anything from £5m to £40m. But initial plans in developing countries for the extension of existing facilities often lead to the construction of a virtually new airport, such are the demands of the new generation of wide-bodied airliners.

Faced with costs of this magnitude, many developing countries defer decisions for a time, but national pride and the need for airports capable of handling revenue-bearing tourists generally swing the balance and construction goes ahead. The need for air cargo facilities for exports is also an important factor.

The major markets for new airports are Africa, Latin America and the Far East, and while China remains an uncertain area, the prospects there are enormous in the longer term. Secondary airports in advanced countries are als oproviding many contracts, though mainly for more sophisticated electronic aids which allow them to handle a wider range of aircraft.

Tarmac, the Wolverhampton-based construction company, recently won a contract worth nearly £40m to build terminals and other facilities at the new Riyadh Airport in Saudi Arabia, which is being managed by the U.S. company, Bechtel. The airport is expected to cost about £6bn.

But one of the most successful UK companies in the race for orders has been Plessey, which sells 75 per cent of its radar equipment abroad and has trebled the value of its exports in three years.

It has been developing the ability to offer a complete airport package. This played a big part in its winning a £27m contract at Abidjan, in the Ivory Coast.

Eqpipment for control towers will be essential to packages contractors are preparing for overseas buyers

This project started as an extension but Plessey is now undertaking design proposals for the development of a complete new airport and review longer-term needs under a new £5m contract. This puts Plessey in a strong position to undertake a substantial part of the £200m project when it gets underway.

Plessey and other UK companies have been surprisingly prominent in francophone Africa, in spite of strong competition from the French. France concentrates much of its efforts through Aeroport de Paris, which specialises in offering complete packages. With this approach, assisted by a State visit from President Giscard d'Estaing, French companies recently won a contract to build a new airport for Mexico City.

Britain has yet to concentrate its sales efforts in this way, although Plessey is moving in that direction.

In the Middle East, particularly in the Gulf States, airport development has been strong in recent years. British construction companies such as Costain and Tarmac have won a large share of runway building and improvement work.

Another UK company which has benefited from the airport boom is the GEC subsidiary, Marconi, which supplies radar of various types, air traffic control simulators, runway lighting and a wide range of products including airport information displays.

It is also clear that demand for military air traffic control systems is good, but few companies are permitted to publicise these orders. In Africa, a number of contracts have involved repairing or up-grading Soviet systems supplied in conjunction with military aircraft.

One advantage Britain has is the long experience of airport operations gained by British Airports Authority. This is marketed through British Airports International, jointly owned by the BAA and International Air Radio, which in turn is owned by BA and a number of other airlines.

This company offers advice to potential suppliers and is particularly strong on airport design and passenger and cargo handling. The company sees a clear need for more package bids from the UK.

It points out that Japan, in its bid for a new airport in Bolivia, is ready to provide finance, design, construction, and operating assistance. Although the UK has the expertise to do all this, it is seldom offered in this way.

Although the value to UK exports of airport equipment has never been established due to its diversity, some companies have seen sales soar and the prospect for further growth is extremely good.

London's third airport, Page 11

Marine insurers face worst peacetime year

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE NUMBER of supertankers and other very large ships lost has increased dramatically in 1979. So far five vessels of over 200,000 dwt have been lost—almost as many as were lost in the previous 10 years.

The size and extent of the losses is causing serious concern in the world's insurance markets and among organisations concerned with ship safety and pollution control. Lloyd's Underwriters Association said it is too early for underwriters to form any conclusion as to why so many ships have been lost.

The association says that 1979 is going to be the worst year in peacetime for the marine insurance market but rules out the possibility of shipowners having to pay a general surcharge to cover the increased losses.

Earlier this month, the 321,186 dwt very large crude carrier (VLCC), Energy Determination, blew up and broke in two in the busy Straits of Hormuz. The aft section of the ship, including the accommodation and the engine room sank. The forward section is still afloat and anchored off Dubai.

This is believed to be the biggest shipping casualty ever, and the most expensive in terms of hull and machinery insurance. It was in ballast at the time but its hull value was $58m.

Energy Determination's loss is the latest in a growing list of disasters involving VLCCs which started last New Year's eve when the Greek tanker, Andros Patria, developed a crack in its hull in rough weather off the north-west coast of Spain.

Out of the world shipping fleet of just over 71,000 ships, 715 are over 200,000 dwt. Only 142 are over 275,000 dwt. Until recently, most very large ships, which are comparatively young in relation to the average age of the world fleet, were considered to be safer than average.

In the case of the 1970 built Andros Patria, which caught fire and spilled about 51,000 tons of oil, the salvors managed to tow her into port, where she was subsequently broken up. In the terminology of the insurance market the ship was neither a total loss nor a constructive total loss. However, she never went to sea again.

MAJOR SHIPPING LOSSES
(vessels over 200,000 dwt)

		dwt	
1969	Marpessa	206,805	Explosion
1973	Golar Patricia	216,326	Explosion
1975	Berge Istra	227,556	Explosion
1976	Olympic Bravery	277,599	Ran aground
1978	Amoco Cadiz	233,690	Ran aground
	Andros Patria	218,605	Explosion
1979	Atlas Titan	212,751	Fire
	Aegean Captain	210,257	Collided
	Atlantic Empress	292,666	Collided
	Berge Vanga	227,912	Explosion
	Energy Determination	321,186	Explosion

Source: Lloyd's Intelligence Services.

In May a first generation VLCC, the 1968-built Atlas Titan, exploded during tank cleaning in Portugal and was declared a constructive total loss. In late July another first generation VLCC, the 1968-built Aegean Captain, collided with the 1974-built, Atlantic Empress, off Tobago. Both fully laden vessels caught fire.

The Atlantic Empress later split in two and sank, spilling vast amounts of her 270,000 ton cargo. Twenty-six lives were lost. The Aegean Captain remained afloat but was declared a constructive total loss. This incident is thought to have cost the world's insurance markets $120m plus.

The next casualty was the Berge Vanga which blew up and sank with the loss of all hands on board. Unlike the others, Berge Vanga was not a tanker but a bulk/oil carrier. It was insured for $19.0m. Its sister ship, the Berge Tstra, blew up in 1975 but two of the crew managed to escape.

Apart from the casualties involving ships of over 200,000 dwt during 1979, there have also been a growing number of casualties among smaller ships. This year is thus also likely to become a record peacetime year for overall shipping losses. In the first 11 months of 1979, 261 ships of 2m gross tons have been lost, according to the Liverpool Underwriters Association. This compares with a figure of 260 ships of 1.38m gross tons in the whole of 1978.

For the marine insurance market the losses in 1979 come after marked deteriorations in both 1978 and 1977. The number of ships lost in 1978 was the highest on record and the value of total losses alone was in excess of $500m, according to the Liverpool Hull Loss Statistics.

Tougher shipping fines

BY VICTOR MACKIE

FOREIGN SHIPS may be fined up to £50,000 if they are summarily convicted for certain offences under the 1979 UK Merchant Shipping Act now being brought into force.

The sharply increased fines reflect the serious view taken of the offences and the fact that it may not always be possible to bring the offending foreign vessels to trial on indictment. The fines, more in line with today's money values, also apply to UK ships and can be applied by local magistrates.

Any of the following offences will be countered by the new range of fines—failure to render assistance following a collision; proceeding to sea from a UK port in contravention of a detention order; carrying passengers in excess of the certified maximum; proceeding against the traffic flow in a traffic separation scheme; sending an unfit ship to sea and endangering lives.

Inmos meets its self-imposed deadline

INMOS, the semiconductor company backed by the National Enterprise Board, has met its self-imposed deadline of announcing the location—Bristol—of its first UK production plant this year.

It appears that the company has received a quiet nod from the Government, which must sanction the second funding tranche of £25m, although official confirmation must await the New Year.

The first products, to be produced in volume by 1982, will be two random access memory chips—one a 16K static and the other a 64K dynamic. Professor Barron, director of Inmos's UK operations, said that one of the first were yet on the market and the second would be one of the most sought after components of the early and mid-1980s. This is borne out by IBM's recent announcement that it had invested considerably more than Inmos's initial capital to produce 64K chips for its own use.

These Inmos memory products will be designed and tested in the U.S. The second major line will be microprocessors. No details have been released yet, but they will certainly be the responsibility of the UK operation. Both of the planned UK plants will be capable of producing memories and microprocessors — the former in tens of millions by 1982-83.

Professor Barron was also confident that the technical decisions taken by him and his American co-founders, Dr. Richard Petritz and Dr. Paul Schroeder, were correct. According to his description, Inmos will be a revolutionary force in the industry.

It will use three production techniques. Two are relatively rare and the third is as yet hardly used at all. It will be the only company in the world to use all three together.

NEWS ANALYSIS ● INMOS BY JOHN LLOYD

First, it will use a process known as wafer-stepping to pattern the densely integrated chips. Other companies are experimenting with electron beams and X-ray lithography but Professor Barron said that the wafer-stepping techniques were more economic.

Second, Inmos will use the ion implantation process, which is gradually supplanting the diffusion techniques for very large-scale integration (VLSI) work, to create the transistors on the chip.

Third, it will employ a plasma etching process, rather than acids, to etch away unwanted silicate from the connectors.

The three founders have always claimed that Inmos offered a major advantage over established companies. New techniques and design philosophies to increase the miniaturisation on chips are much easier to build into a new company than to develop in an established one.

Other semiconductor companies, notably in the U.S. and Japan, are of course, aware of the trends and gearing up for the VLSI era.

The joint-venture between the General Electric Company and the U.S. company Fairchild (now part of the French-registered Schlumberger empire) was, he said, a different concept and would be producing different products.

The major difference, he said, was that GEC/Fairchild would be essentially a production li[ne] while Inmos would be [an] integrated company with s[ub]stantial British research a[nd] development.

The point is a delicate [one] since Dr. Robert Clayton, GE[C] technical director, is a mem[ber] of the NEB. Questioned [on a] possible conflict, Profes[sor] Barron said that Inmos was s[ure] all NEB members would "c[on]duct themselves with propriet[y]."

The decision to build [its] first plant in Bristol, rat[her] than in the short-lis[ted] depressed regions of Tyne a[nd] Wear or South Wales, will [be] controversial. Professor Barr[on] emphasised that Inmos h[ad] made no commitment to [the] NEB or the Government to s[ite] plants in an assisted area.

Tyne and Wear is uni[m]pressed. It claimed yesterd[ay] that Inmos had acted count[er] to all previous Governme[nt] policy, and predicted a "gr[eat] outcry" from local authoriti[es].

Brisk start to sales —despite bad weather

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE ANNUAL sales got off to a brisk start yesterday in spite of poor weather in many parts of the country.

Retailers reported the usual long queues and scramble for the traditional big price reductions, but the volume of bargain-hunting shoppers may initially have been dampened by the bad weather.

But by the close of trading last night, many big retailers reported the level of customers well up to their expected level. The John Lewis Partnership, for example, said that after a slow start its sales were on target by early afternoon.

Retailers are anxious for a good trading start to the post-Christmas selling period to offset the expected slump in demand over the next few months. Stores said the late pre-Christmas spending spree continued up to Christmas Eve, which should make the final December volume sales figures much healthier than expected.

In the pre-Christmas sales spree, it seems that people who had received big pay settlements in recent weeks and did not have big mortgage commitments were prepared to have a good Christmas. This mainly benefited down-market stores such as British Home Stores and Dixons, the photographic and audio chain. But the increased use of credit cards also indicated that people were prepared to borrow to enjoy a good Christmas.

Retailers, however, fear that people may have over-spent by so much they will be unable to take advantage of the bargain sales.

The biggest bargains are likely to be in clothes and footwear and bigger electrical appliances. Selfridge's sale, which starts today, has a number of clothes items on offer at half-price.

Selfridge's believes, in common with other retailers, that the bargain sales over the next few weeks will be supported by people who want to stock up with practical goods before the economy slips deeper into recession. "We are expecting over 300,000 csutomers on the first day alone," the store said.

The key question however, is how far stores will be forced to continue with their bargain sales. These sales normally last only a few weeks, but if stocks are not exhausted then many may continue until late February.

Tories may prefer early poll

By Elinor Goodman

THE DEATH of Sir Stephen McAdden on Boxing Day means that the Conservatives face a by-election in Southend East at a time when Ministers expect the Government's popularity to be on the decline.

Because of this, it is likely that the Tories will opt for an early poll rather than leaving it until later in the spring, when the next round of public expenditure cuts will be starting to be felt by the electorate.

Although it is too early in the Government's term for the Liberals to be realistically looking for a by-election victory in a Tory safe seat, their hopes of overtaking Labour in Southend East will be boosted by the fact that the party has come a good second in the neighbouring constituency of Southend West.

Died after fall

Sir Stephen, who died after a fall at Westminster underground station just before Christmas, was a member of the Speaker's panel of chairmen and vice-chairman of the Anglo-Israeli Parliamentary group.

Sir Stephen, who had represented Southend East since 1950, increased his majority to 10,774 in the last general election, and it would take a swing of more than 13 per cent to stop another Conservative being elected.

This is the same swing as was needed in this month's by-election at Hertfordshire South West, which the Tories won comfortably, despite a small swing to Labour and an increase in the Liberals' share of the vote.

But both Labour and Liberal believe they should do better in Southend East, where Sir Stephen, who was 72, had a considerable personal following.

CBI to launch study of business attitudes

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A NEW source of information for businessmen about industrial and social trends is about to be launched by the Confederation of British Industry at a cost estimated to approach £100,000 a year.

It is called the Business Attitudes Guide and is the CBI says, "intended to give companies guidance about external matters which could 'hit them from the blind side'."

It has been developed from methods of corporate research used in the U.S. and is being prepared for the CBI by Opinion Research and Communications. Companies will pay up to £1,000 a year for information from the service supplied in regular reports.

"Corporate research is being widely and imaginatively used in the U.S.," says Mr. Tommy Thompson, chairman of ORC in the latest issue of the CBI members' bulletin. "In Britain there are very few companies who, as yet, really know what it means. But this will change as external pressures on companies grow."

Subjects covered will inclu[de] "consumer militancy" whi[ch] Mr. Thompson says, is "an u[n]exploded bomb lying unde[r]neath a good number [of] industries." He adds that "ma[ny] of them will find this out in t[he] most expensive way if they [do] not keep a finger on this partic[u]lar pulse."

Two other areas, which M[r.] Thompson says most compani[es] "could not care less about" b[ut] which will become increasing[ly] important, are corporate soci[al] responsibility and enviro[n]mental matters including an[ti-]pollution.

In addition, companies shoul[d] be aware that the "Bullo[ck] affair" on employee particip[a]tion has not ended. More wo[rk] also needs to be done "com[municating] the case for fre[e] enterprise."

Mr. Thompson says the U.S. business leaders found it esse[n]tial to monitor external corpo[r]ate pressures in order to evolv[e] long term policies with "th[e] least pain and expense," whe[n] consumer militancy was deve[l]oping.

New rates system may add £130 to some bills

BY ANDREW TAYLOR

RATEPAYERS IN some parts of the country could find themselves paying up to £130 a year more than those in other localities if the Government decides to introduce a "uniform rate in the pound."

That is according to a survey carried out by the Association of Metropolitan Authorities which found that because the Inland Revenue values properties differently in various parts of the country the discrepancies between actual rates paid would be wide if local authorities were required to levy the same rate in the pound.

The AMA is concerned that the Government introduced a "notional" uniform rate in the pound of 119p in the Rate Support Grant Order introduced earlier this month.

This notional figure was introduced to assist Government to isolate overspending by local authorities and forms part of a new rate support grant system which includes financial penalties for councils which overspend.

Oil consumption falls by 500,000 tonnes

BY MARTIN DICKSON

THE UK used 500,000 tonnes less oil between August and October than in the same three months of 1978—a reversal of trends earlier in the year.

This was announced yesterday in Energy Trends, the Energy Department's monthly statistical bulletin. It showed oil consumption from August to October was 18.5m tonnes compared with 19m tonnes for the same three months of 1978—a fall of 2.4 per cent.

Coal consumption rose by 7 per cent in this period—to 29.2m tonnes from 27.2m in 1978—and the UK's total energy consumption was 2.3 per cent higher than in August to October, 1978.

The figures reflect the greater emphasis being placed by the Central Electricity Generating Board on burning coal in power stations rather than oil and a similar switch to coal by industrial users.

Deliveries of fuel oil were down 6 per cent between August and October, while power station consumption of coal rose by 1.6m tonnes, or 8.2 per cent, in the three months between September and November.

Rising production and productivity by the National Coal Board was reflected in the fact that coal production from September to November was 33.5m tonnes, an increase of 500,000 tonnes on the same period of 1978. Coal consumption in the first 11 months of 1979 reached 116m tonnes, nearly 9m tonnes more than in the same period of 1978.

Energy Trends also shows that the UK's own production of oil between August and October was nearly 20.5m tonnes, a rise of more than 6m tonnes, or 46 per cent, on the corresponding period of 1978.

Natural gas supplies increased 14.2 per cent between September and November, compared with the same months of last year, and for the 11-month period from January to November were 11 per cent up on the same period of 1978.

Call for new school initiative

SCHOOLS MUST provide more vocational preparation to ensure that 16-year-olds are given a better start to their working lives, the Confederation of British Industry said yesterday.

The CBI said: "Far too little attention has been paid to the basic responsibility of the schools for preparing young people for adult and working life."

The CBI wants a joint initiative to introduce vocational preparation before the last year at school as a foundation for further complementary vocational preparation in employment.

'Massive rises' plan criticised by airlines

PROPOSED "MASSIVE" increases in UK air navigation costs and airport handling charges were attacked yesterday by representatives of 19 European scheduled airlines.

The Association of European Airlines told Mr. Norman Tebbit, Under Secretary for Trade, that "actual and intended increased charges exceed the highest inflation rates anywhere in Europe."

Foreign airlines may start a boycott of UK airports if the charges go ahead, British Caledonian Airways warned. It pointed out that the rises would cost the airline £2.7m extra in 1980. The "punitive" charges would have to be passed to the customer.

The increased charges include a rise of 95 per cent in airport security tax and rises in landing fees and navigation charges.

Call for lorry 'mileage tax'

HIGHER DIESEL taxes for lorries have been called for, as a way of relating total vehicle tax more closely to mileage.

Transport 2000, the environment pressure group, said in evidence to the Armitage Inquiry into people, lorries and the environment that a tax on mileage, through higher diesel tax, would help pay for the damage lorries caused to the environment and roads.

● The Road Haulage Association yesterday attacked suggestions from British Rail in evidence to the inquiry that lorries failed to meet their full economic and social costs. Mr. Eric Russell, RHA secretary, said further taxes would have no environmental or social benefit.

SOCIETY OF BUSINESS ECONOMISTS' SURVEY

Forecasters agree on character of recession

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UK is at the start of a sharp but short recession at the end of which unemployment will be more than 1.65m and the inflation rate will still be well into double figures.

This is the general view of the 13 forecasting organisations included in the accompanying table. This does not mean that the projections are right, and the margin of error on a forecast of next year's gross domestic product is estimated by the Treasury at plus or minus 1½ percentage points and at £2bn for the current account.

But the extent of agreement about the likely character of the recession is not only significant in itself but also because of its influence on policymakers in Whitehall, the City and industry.

The list of forecasters is representative rather than comprehensive and among bodies which may be included in a later comparison are the Cambridge Economic Policy Group, the ITEM Club, Economic Models, Chase Econometrics and stockbrokers Wood Mackenzie, de Zoete and Bevan and James Capel.

In general, the more recent the forecast the gloomier the outlook. Nevertheless, almost all the projections were made before the size of the latest increase in oil prices became apparent. Consequently, the outlook is probably rather gloomier than outlined.

The main features of the forecasts are:

1—The average projected decline in gross domestic product next year is 1.4 per cent compared with declines of 1.7 and 0.9 per cent in 1974 and 1975 respectively. However, there is general agreement among those forecasters loking ahead to 1981 that GDP should recover.

2—In contrast to the mid-1970s recession, customer spending is likely to rise next year, though by a much smaller amount than in the last couple of years.

3—The main contractionary influences are likely to be fixed investment, down between 1 and 6 per cent in real terms next year, and stockbuilding as companies cut back their level of stocks. Consequently manufacturing industry will be worst hit, although the impact will be partly offset by increasing North Sea oil output.

4—There is much disagreement about the likely external performance, depending on the view taken of growth of UK export markets and of import penetration. Consequently, there is a £4.5bn range in current account projections, although the commonest forecast is for between balance and a small deficit.

5—The average projected rise in UK adult unemployment is about 350,000 to 1.65m by the end of 1980, with a further increase thereafter. This compares with the Government Actuary's working assumption of an average level of 1.65m in 1980-81.

6—The 12-month rate of retail price inflation is generally expected to peak at around, or slightly more than, 20 per cent in the April-to-June quarter of 1980 before slackening—in the absence of the Value Added Tax increase from the comparisons—to a range of 14 to 16½ per cent by the end of 1980. But the rate is expected to remain around or over 10 per cent throughout 1981.

7—Public sector borrowing projections range between £9.5bn and £11.75bn on present policies, though most analysts expect the Government to take action to limit the figure to £9.5bn or less in the next Budget.

This analysis is broadly in line with the conclusions of the short-term forecasting group of the Society of Business Economists. Their projections, completed towards the end of November, were for a 1.3 per cent fall in GDP next year followed by a 2.1 per cent rise in 1981. Consumer spending was forecast to rise by 0.8 per cent next year and by 4.2 per cent in 1981. A small current account surplus was projected for both years.

This is also in line with the results of a questionnaire returned by 141 members of the Society, who are economists in finance, industry, Whitehall and universities. The survey showed that 40 per cent of the economists expected a fall in GDP next year of up to 1 per cent and just more than 30 per cent one of between 1 and 2 per cent. Similarly, 40 per cent expected a rise in real consumer spending of up to 1 per cent.

Both the forecasts and these expectations support the analysis in the recent Bank of England quarterly bulletin that, "while some of the recessionary forces would be more than temporary, others would be essentially short-lived — likely to cause a sharp dip, not a continued downward slide, in activity.

"A stock adjustment typically lasts one or two years; and after that sort of period, an upward trend in consumers' real purchasing power will probably be resumed." The Bank's forecasting model of the economy projects a decline of at least 1 to 2 per cent in GDP in 1980 and suggests that a recovery might set in by the end of 1981.

COMPARISON OF FORECASTS

Percentage change year-on-year in constant 1975 prices unless stated	Expected outcome in 1979		Treasury (Nov.)	(Dec.)	London Business (Nov.)	National (Nov.)	Confederation of British (Nov.)	Economist Intelligence (Oct.)	Cambridge Econometrics (Oct.)	Henley Centre (Dec.)	Staniland Hall (Dec.)	Phillips and Drew (Dec.)	Hoare Govett (Dec.)	Carr Sebag (Dec.)	Montagu Loebl Stanley (Dec.)
Gross Domestic Product	1.1	1980	−1.8	−2.0	−1.1	0.2	−1.0	−0.9	−1.3	−1.2	−1.2	−1.8	−1.0	−1.6	−2.6
		1981	—	—	0.8	1.9	—	0.8	1.0	0.6	1.0	—	—	—	—
Consumer Spending	3.9	1980	0.5	0.25	0.1	1.6	2.25	0.7	−0.9	0.3	−0.9	−1.2	−0.5	−0.9	0
		1981	—	—	1.3	2.2	—	1.3	1.8	2.2	2.4	—	—	—	—
Exports	1.5	1980	0	5.25	4.0	4.0	1.0	2.9	1.9	1.0	2.2	3.3	2.9	—	−1.0
		1981	—	—	1.5	4.0	—	2.2	1.5	1.5	3.3	—	—	—	—
Imports	11.7	1980	−2.5	0.5	−1.1	1.7	−1.75	−0.4	−1.4	−2.5	−2.6	0.2	0.8	—	−2.2
		1981	—	—	0.4	3.6	—	1.3	3.6	1.5	3.1	—	—	—	—
Retail Price Inflation (year to fourth quarter)†	17.5	1980	14.0	15.5	13.2	15.3	—	13.2	16.4	14.0	13.9	16.3	13.7	16.1	16.5
		1981	—	—	10.0	12.2	—	11.3	9.8	—	—	—	—	—	—
Unemployment (adults, 4th qtr, m)‡	1.29	1980	—	—	1.27	1.42	—	1.79	1.8	—	1.7	1.56	1.55	2.03	1.7
		1981	—	—	1.48	1.59	—	2.03	2.1	—	—	—	—	—	—
Current account (£bn)	−2.5	1980	−2.0	0.25	−0.66	−3.3	−1.0	−2.2	1.3	0.68	−0.5	−0.9	−0.3	0	−2.05
		1981	—	—	−0.26	−2.5	—	−0.8	1.0	1.81	—	—	—	—	—
Public Sector Borrowing £bn*	8.3	1980-81	9.5	—	11.2	9.0	—	10.2	—	—	—	10.4	—	—	9.4

† Retail Price Inflation for year to fourth quarter for all except National Institute and London Business School (where consumer price inflation over same period), and OECD and Cambridge Econometrics (where average annual rate of consumer price inflation).
‡ UK unemployment in fourth quarter for all except National Institute where Great Britain (excluding Northern Ireland) and London Business School and Cambridge Econometrics where GB annual average).
* Borrowing forecasts make conventional working assumption that income tax allowances and specific indirect tax duties are increased in spring Budget in line with inflation during 1979.

New house prices 35% up

By Michael Cassell

NEW HOUSE prices rose on average by 35 per cent in 1979, according to the Anglia Hastings and Thanet Building Society.

But the society said that after another year of very high demand for private housing, prices have now peaked and a buyers' market has returned.

Mr. Peter Moreton, chief surveyor of the A. H. and T., claimed that while the average price of a new home was escalating in 1979, the price of an average post 1919 property increased by 32 per cent. At the same time, prices for older homes rose on average by 33 per cent.

Mr. Moreton commented: "Against all prediction the mad rush to acquire a home of one's own continued virtually unabated throughout 1979. House prices, as a result, have risen in almost all sectors of the market and all parts of the country, some to quite remarkable levels. Only as the year ends are there signs of sanity returning."

The society says that the increase in house prices is the more astonishing when set against a year which has seen high interest rates prevailing, low economic growth and an inadequate supply of mortgage funds in the face of persistent demand.

Mr. Moreton added: "Our society's average loan currently stands at only approximately £12,000, an increase over the year of little more than 8½ per cent, although we have kept available a constant flow of funds. Prospective buyers have nevertheless found the wherewithal to fulfil their hopes of house purchase and have kept paying prices asked.

"Cost, surprisingly, does not seem to have been a deterrent. Topping-up facilities from banks and insurance companies have surely played their part as may have help from relations."

On prospects for 1980, Mr. Moreton says the latest indications suggest agents have more homes to offer for sale than for some considerable time.

Calor increases price of gas

CALOR GAS yesterday increased the price of its standard cylinder and bulk gas by between 15 and 21 per cent. It attributed this largely to supply shortages in the international oil market and associated price rises.

The price of a standard 15 kg Calor Gas cylinder goes up from £5.15—plus 45p delivery charge—to £6.20, an increase of 18.7 per cent. At the start of last January a standard cylinder cost £4.45, so there has been a 39 per cent price rise during the year.

Companies cautious over control-lifting

BY DAVID MARSH

MANY LEADING British companies are using the opportunities created by the lifting of exchange controls to lower their overseas debt rather than step up their foreign exchange operations.

A generally cautious response to exchange control freedom was reported by corporate treasurers questioned by the Financial Times.

After the relaxation of controls in July and their abolition in October, many companies are still finding their feet in the new climate. But several finance directors report particular benefits from their new-found ability to expand forward foreign exchange cover and to switch liquidity in and out of foreign currencies.

Mr. Graeme Odgers, group finance director of Tarmac, said his company was using the change in regulations to refinance with sterling loans medium-term foreign currency borrowings taken out a few years ago.

Such sterling refinancing of loans raised to fund direct overseas investment was prohibited under the previous regulations.

Mr. Odgers — whose experience was echoed by several other companies questioned — said foreign currency debt had become "out of kilter" with the earnings power of foreign investments.

This was particularly because of the decline of sterling over the last few years against the foreign currencies in which the company had borrowed. Tarmac was "very pleased" that it now had the opportunity to correct the balance.

Mr. Alan Clements, treasurer of ICI, said that the company was not at present making use of the increased possibilities for external finance. This was mainly because the company lined up its finance, in both sterling and foreign currencies, well in advance of commitments.

The abolition of exchange controls did, however, offer corporate treasurers the opportunity to raise funds unaffected by the UK "corset" regulations on bank lending.

If ICI was ever in a position where it could not raise necessary sterling finance from the UK, it would borrow abroad via the Euro-sterling market.

Centralised

The lifting of controls was particularly beneficial, Mr. Clements said, in that it enabled companies to centralise management of their liquidity balances.

Previously ICI had had two "kitties"—one for excess sterling, and the other for foreign currencies, which mainly represented the unused portions of foreign currency loans. Now ICI had a better opportunity of switching liquidity among different currencies in order to maximise the short-term yield.

Mr. Neil Fergusson, group treasurer of Glaxo, said that his horizons had been "considerably expanded" by the lifting of controls, but it had had little immediate impact. Glaxo now found it possible to hold increased amounts of foreign currency before converting into sterling, but it had not switched to a general policy of increasing its liquidity balances held in foreign exchange.

A finance director of a large textile company, who did not wish to be named, said companies were reluctant to hold foreign currency receipts because of the strong pound. This could easily change, however, if the pound showed signs of weakness.

Another corporate treasurer to say that the liberalisation of controls had caused "no dramatic change" was Mr. James Blyth, group financial director of United Biscuits. His company had not increased its borrowing or its deposits in foreign currencies as a result.

One large metal concern said, however, that the change in regulations had allowed it to increase sharply its direct payments from foreign currency bank accounts.

A big shipping company said that it was now increasing considerably its forward foreign exchange cover to cut down on currency exposure.

Under previous Bank of England rules, companies could take out future foreign currency transactions only in association with contractual commitments.

Sharp decline in investment by Scottish manufacturers

BY RAY PERMAN, SCOTTISH CORRESPONDENT

INVESTMENT by manufacturing companies in Scotland is declining sharply, with most concerns merely replacing worn-out or outdated machinery and buildings rather than increasing capacity, a survey published yesterday shows.

The Scottish Council for Development and Industry estimates from questionnaires returned by about a third of all manufacturing concerns employing more than 50 people, that the total invested in 1980 could be between £596.5m and £681.3m.

In real terms this represents a drop of at least 7.5 per cent from the figure given by companies at this time last year.

Companies were also asked to say whether they would be taking on or shedding labour in the coming year, and the net result was that there will be a loss of 1,760 jobs.

Capital investment, even at this low level, will still sustain jobs in the capital goods and construction industries, however, and the council believes that between 14,000 and 16,000 jobs could be created or maintained in this way.

The survey confirms the picture of the Scottish economy which has been emerging recently. Many companies are responding to the deepening recession by cutting capacity.

Oil prices

Mr. Jeremy Baister, who wrote the report, believes the picture may be even worse than the figures suggest, since some companies will have cancelled earlier investment plans because of oil price rises or other unforeseen factors.

High inflation and high interest rates were the reasons most often given for not expanding, although the depressing effect of a strong pound on export sales and the changes in government regional development grants were also cited.

There are some bright aspects in the survey. Sectors such as chemicals, electronics and vehicle and aircraft building indicated that they were optimistic and expanding.

Mr. James Johnstone, chief executive of the Scottish Council, said yesterday that manufacturing industry was playing a declining part in the economy of the UK, and the future would not be predominantly shaped by the fortunes of the manufacturing sector, as it had been in the past.

The survey covered only companies employing more than 50 people, but it was known from recent U.S. studies that about 60 per cent of new jobs were created by concerns employing fewer than 20 people.

"There are some dark clouds looming for 1980, but there are also some silver linings," said Mr. Johnstone.

£620,000 plan to ease Shotton closure effects

BY ROBIN REEVES, WELSH CORRESPONDENT

EXPENDITURE of £630,000 over the next three months on industrial development schemes to alleviate the effects of the shutdown of iron and steel-making at the British Steel Corporation's Shotton works in North Wales, was approved yesterday by Mr. Nicholas Edwards, the Secretary of State for Wales.

Some £480,000 is to be spent by Wrexham-Maelor District Council on developing an industrial estate at the site of the Gresford colliery and on building industrial nursery units on the Whitegate Estate, near Wrexham.

A further £140,000 will go towards the building by Clwyd County Council of 20,000 sq ft of nursery units at Mold and Buckley. These are due to be completed by next September at a cost of about £500,000.

Mr. Edwards is considering a package of similar schemes—to be paid for out of the Urban Renewal Programme for funding during the coming financial year.

Redundancy payments ranging from £4,000 to £22,000 for the 6,420 Shotton employees who are to lose their jobs with the shutdown at the Deeside works were agreed just before Christmas. The rundown is due to be completed by March.

Steel buyers wait and see

BY MAURICE SAMUELSON

A LEADING importer of steel from outside the EEC yesterday reported a rise of 50-60 per cent in the orders he had taken in the past 10 days from customers worried about a British steel strike.

However, most customers still appeared to be awaiting the outcome of today's last-ditch attempt to prevent a strike before joining in any panic rush for alternative supplies.

The rush is also being held up by the high level of stocks accumulated by manufacturers throughout the year, as well as the high cost of financing new orders.

The London sales offices of Continental steel industries have also reported a wait and see attitude among customers. Usinor, the French steel maker, said there had been slight increases in orders by regular customers. Estel Hoesch-Hoogovens, the Dutch-German steel maker, said that it did not expect activity to increase before next week, if the strike went ahead.

Cancelling

Generally, once an import order is placed it cannot be cancelled. However, Usinor said that it would probably be able to cancel increase orders by regular customers should the strike fail to materialise.

Britain's own private steel making sector has not yet felt the brunt of any switching of orders from the British Steel Corporation. For the last few years, production of rolled products by members of the British Independent Steel Producers Association has been running at about 65 per cent of capacity, though steel melting has been at a higher level.

Most private steel works are closed until next week, and yesterday BISPA said it would be impossible to read the situation until it was known whether the railways would be blacked in support of the strike against BSC.

Sony bids for share of office machine market

By Elaine Williams

PLANS by Sony, the Japanese electronics company, to compete seriously in the office equipment market are now taking shape.

It is to launch its first centralised office dictation system in the UK early in 1980, to challenge the established makers.

Earlier this year Sony made its debut in dictation equipment and so far has brought eight different models on to the market.

Office automation, which brings together three separate industries — telecommunications, computers and office equipment—is forecast to be one of the largest growth industries in the coming decade. By 1987 some forecasters believe the market will be worth nearly $16bn a year.

Already companies such as Plessey and the General Electric Company in the UK, IBM in the U.S. and Philips in the Netherlands have been preparing to compete.

Sony, which is relatively new to all office automation, is also believed to be developing word processing systems, to be launched within the next year or so.

Express and Sun face opposition to Scottish plans

BY RAY PERMAN, SCOTTISH CORRESPONDENT

PUBLISHERS of The Sun and the Daily Express have run into determined opposition to plans to print in Scotland using facsimilie transmission.

News International is spending £3m converting a warehouse in Glasgow to a satelite printing plant. It would produce copies of The Sun for Scotland and possibly some new markets such as the Irish Republic. The plant could be ready by January 31.

Express Newspapers wants to print 50,000 copies a day of the Scottish Daily Express in Inverness and has given a contract to Northpress, a local company set up by a former Express employee, Mr. John Vass.

Both schemes are opposed by the Scottish Graphical Division of the Society of Graphical and Allied Trades, which represents compositors in Scotland.

"We would understand the SGD argument if we were going to set material in London that was distinct to Scotland," said Mr. Bruce Matthews, managing director of News International.

"We have told the SGD that we would be prepared to enter into an agreement that if ever we did use different material for Scotland, it would be set in Scotland.

"All we want to do is relieve the pressure on our presses in London and save the cost of flying 200,000 copies of the Sun to Scotland every day. For that we are offering in the initial stages more than 100 jobs."

The SGD is backed by the National Union of Journalists and the artists' union SLADE, which fear that printing the Sun in Scotland will undermine the jobs of their members on Scottish newspapers, particularly Mirror Group's Glasgow-based Daily Record.

Opposition to the Express move is more emotionally based because there is still bad feeling over the closure of the Scottish Daily Express plant in Glasgow and the transfer of production to Manchester in 1974.

"We will not allow the Express to come tiptoeing back into Scotland through the back door," one union official said.

● The Newspaper Publishers Association is seeking an urgent meeting with the Society of Graphical and Allied Trades following disruption to distribution which prevented many readers receiving national newspapers yesterday. The problems related to Boxing Day working and it was expected that normal distribution would be resumed last night.

Dockers settling for 16% average rises

BY OUR LABOUR STAFF

LOCAL PAY settlements for the country's 26,500 registered dock-workers appear to be about 16 per cent, with many port employers and union negotiators watching events in other ports.

In the first major port settlement, 1,250 dockers at Bristol voted last week to accept a 15½ per cent increase on basic rates, effective from January 1, and negotiations have started in London, Glasgow and Southampton. At Hull, shop stewards are referring their claim to the industry's national joint council for arbitration and claim the offer is worth about 11½ per cent.

The main interest is focused on negotiations between the Transport and General Workers' Union, the National Amalgamated Stevedores and Dockers and the London Port Employers' Association. The Port of London Authority, the main employer, is technically bankrupt and unlikely to be able to finance a large settlement.

Claims tabled to the London Port Employers' Association were for 40 per cent increases from the TGWU and 32 per cent from NASD. Traditionally settlements have been comparable with the London Riverside group.

A meeting of dockers from the Riverside docks last week rejected an offer estimated to be worth just less than 17 per cent. Teesside dockers accepted a 13-month, 17 per cent deal earlier in the pay round.

Plymouth, Fleetwood and Preston have already settled. Deals arrived at so far have involved minor alterations on bonuses and productivity. A national agreement between the British Ports Association and the two unions signed at the end of October and back-dated to September 24 provided for a 15.8 per cent increase on minimum rates from £47.50 a week to £55 a week.

North worst hit by mail strike

By Gareth Griffiths, Labour Staff

YESTERDAY'S strike by the 200,000 strong Union of Post Office Workers mostly hit the larger cities of Scotland and northern England.

The UPW had advised its members not to turn up for work as it had been pressing for the day to be included in the Post Office's Christmas holiday. The Post Office regarded yesterday as a normal working day and said it did not know what the full effects of the strike had been.

Postal services in Glasgow, Dundee, Edinburgh, Manchester, Merseyside and the North East were the most seriously affected. There were no postal deliveries in Glasgow and no collections in Liverpool. The Post Office said telephone exchanges had hardly been affected though there were restrictions on 9 per cent of operated exchanges. Emergency calls went through.

In London, the Post Office said all the 198 main post offices scheduled to open yesterday did so. There was little support among counter staff for the strike. Postal services in London have been affected by a separate strike by drivers who want overtime payments for Christmas Eve working.

The volume of business was well down in any case because of the Christmas and New Year holidays, the Post Office said last night. There will thus be no backlog of mail.

Booklet aims to cut lift truck accidents

ABOUT 30 per cent of transport injuries in factories involve lift trucks, according to a Government guidance booklet.

About 20 people die a year and 3,000 are injured in lift truck accidents.

The booklet, published yesterday by the Health and Safety Executive, says that about 45 per cent of these accidents are caused either wholly or partly by operator error. But accidents are also caused by employers' failure to adopt procedures for training and for control and maintenance of trucks.

The executive examines employers' responsibilities and selection of operators, with emphasis on manager, supervisor and operator training. It also looks at safety measures and control of the use of lift trucks.

● Safety in Working with Lift Trucks, HMSO £1.

TUC may quit strategy talks

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNIONS are collectively considering whether to pull out of the industrial strategy working groups set up under the Labour Government, because of their failure to produce concrete results at company level.

It could spell the end of the tripartite groups which have been studying aid, investment, exports and jobs in about 30 sectors of industry.

The TUC would continue to try to exert pressure on individual managements. It would encourage its affiliates to set up company-wide trade union committees to negotiate directly where jobs were seen to be at risk.

In its latest report on the activities of the "Little Neddies" and sector working parties, the TUC notes that, of the 50 biggest UK companies, only 12 have some kind of company-wide trade union organisation.

Because the report and its recommendations have not been taken up by the CBI or Government in the National Economic Development Council, the TUC has circularised its affiliates to ask them whether a new approach should be tried. The inquiry will take about six months.

The Government's dislike of the kind of dialogue with the TUC fostered by Labour has undoubtedly provided a spur. At the same time, some unions are frustrated by what they see as the refusal of the other participants to act.

The TUC's report made five recommendations:

● It wanted joint trade union-management working parties at company and plant level to translate industrial strategy reports into action.

● The TUC was to keep the NEDC posted on its efforts to strengthen trade union structures.

● The CBI was asked to encourage its members to give uniol lay officials time off with pay to sit on joint committees.

● All the national bodies responsible for industrial strategy were asked to stimulate action further down the line.

● The NEDC was asked to send out "special import penetration task forces" and report back on what scope there was for containing imports.

APPOINTMENTS

Chief manager at Lloyds Bank City office

Mr. Peter H. Sones has been appointed chief manager of LLOYDS BANK City office. He succeeds Mr. Alan Harding, who retires on December 31 after more than 42 years service with the bank. Mr. Christopher Bruce-Jones, formerly deputy general manager of the National Bank of New Zealand, a member of the Lloyds Bank Group, will succeed Mr. Sones as manager.

*

Mr. Walter Paterson, general manager of the Basildon division of MARCONI AVIONICS has been appointed to the board.

*

Mr. M. A. Butt, Mr. J. M. Payne and Mr. R. C. Steven have been appointed directors of SEDGWICK FORBES BLAND PAYNE GROUP, the main holding company of the group, from January 1. From the same date Mr. C. M. Mosselmans and Mr. M. R. Adams have been appointed deputy chairmen, and Mr. D. N. Vermont a director, of Sedgwick Forbes Bland Payne, the company responsible for co-ordination and control of the UK group of insurance and reinsurance broking companies. (Mr. Mosselmans and Mr. Adams are already directors of both the above companies.)

*

Mr. D. C. Harding has been elected to the board of J. O. PLOWRIGHT AND CO. Other board appointments from the beginning of next year are: J. O. Plowright and Co. (Tankers)—Mr. K. A. Amato, Mr. S. V. Clough and Mr. G. E. Pooley. J. O. Plowright and Co. (Oil)—Mr. G. E. Pooley.

*

Mr. G. C. Hogg has been appointed director of the BRITISH GAS CORPORATION'S legal services. Mr. Cedric Brown, director (construction) in the production and supply division at British Gas headquarters, has been appointed director of the Morecambe Field Project.

*

Mr. B. C. Hurley has been appointed works manager of BP CHEMICALS' Carshalton factory in Surrey.

*

The Home Secretary has appointed Mrs. Jane Finlay deputy chairman of the EQUAL OPPORTUNITIES COMMISSION from January 1.

*

Mr. Malcolm B. Northrup has been promoted to the new post of executive vice-president, electronic devices division (EDD), ROCKWELL INTERNATIONAL CORPORATION. He was vice-president of Microelectronic Devices, a business within EDD, and he will act temporarily as head of that operation. Mr. John L. Archer, business director, has been made vice-president of ROCKWELL INTERNATIONAL'S bubble memory products business.

*

Mr. Irwin M. Lerner, head of the pharmaceuticals division, is to become president and managing director of HOFFMANN-LA ROCHE INC., the Nutley, N.J., U.S. subsidiary of the Swiss Chemical Group, on March 3. He succeeds Mr. Robert B. Clark.

*

Mr. B. M. Mettam, a member of the Sheffield Brick Group Board, has been additionally appointed joint managing director of the subsidiary SMITH WIDDOWSON AND EADEM. He is joined by Mr. K. Moss, whose particular responsibilities will be home and overseas sales. Mr. Mettam has also been made managing director of Sheffield Brick subsidiary F. G. MACHIN, whose present general manager Mr. W. Rae also joins the Board. Mr. Neville Dearden has been appointed to the Board of SW FABRICATIONS, the group's Birmingham manufacturing subsidiary. At the other Birmingham subsidiary, PARKER WINDER AND ACHURCH, Mr. H. Waugh, Mr. J. Anderson and Mr. G. McRobb have been appointed to the Board. Mr. B. M. Widdowson, group managing director and managing director of Smith Widdowson and Eadem is leaving the group.

*

Mr. P. K. Donald has been made a director of BUCK AND HICKMAN from January 1.

*

The VARIETY CLUB OF GREAT BRITAIN, the children's charity organisation, has elected Mr. Tom Eggerdon as its Chief Barker (president) for 1980. He is managing director of Wincanton, a chain of garages owned by Unigate. On January 1 he succeeds Mr. Philip Isaacs, an executive of Mecca Sportsman.

*

Mr. Harry Sasson has been appointed deputy managing director of IRAN OVERSEAS INVESTMENT BANK, where he was assistant managing director.

*

Mr. Brian Sharpe joins CHARLES BARKER LYONS as a full-time director on January 1.

*

Mr. Michael Gibson, assistant general manager (operations) with the Sussex County Building Society, leaves on December 31 to become general manager (marketing) with LLOYDS AND SCOTTISH FINANCE GROUP, Edinburgh.

*

Mr. Gerald Berwick has joined the Board of BARROW HEPBURN GROUP and becomes group commercial director on January 1. He was formerly group financial director of CHI Industries (UK).

*

Mr. D. R. Davies, presently chairman of Inchcape Berhad in Singapore, has been appointed additionally to the Board of INCHCAPE AND CO. from January 1.

*

BUCON HANDLING SYSTEMS, Lymm, Cheshire, has appointed Mr. Alan R. Bowen as technical sales director. For the past 20 years, Mr. Bowen has been technical sales manager of Rapid Conveyors.

Finance chief for APE

AMALGAMATED POWER ENGINEERING states that Mr. R. A. Jones will join the Board on January 1 and will succeed Mr. J. L. Wyatt as financial director. Mr. Wyatt continues as a director of Amalgamated Power Engineering during his secondment to the company's subsidiary in South Africa, Amalgamated Power Engineering S.A. (Proprietary) as a director and general manager.

*

Mr. E. A. Blyth, previously general manager of the building division of Clugston Construction, is appointed deputy managing director of J. F. FINNEGAN. He remains a director of Clugston Construction. Mr. A. J. Boswell, a director of J. F. Finnegan is now transferred from the Sheffield region to the Rochester region as resident director.

*

Mr. Michael Hammond has been appointed an executive director of CHARLES HAMMOND. He was formerly finance director at Tate and Lyle Refineries.

*

Mr. A. R. P. Elliot is joining WILLIS FABER (UNDERWRITING MANAGEMENT) in February as managing director designate.

*

Mr. Michael Bage has been appointed chief executive of the CHELSEA BUILDING SOCIETY.

*

Mr. Waverley D. Cameron has been appointed a director of WAVERLEY CAMERON. He will be responsible for a subsidiary company registered in the U.S., Waverley Cameron Incorporated.

*

Mr. Alex Mair, chief executive of Grampian Television, has joined the board of INDEPENDENT TELEVISION NEWS. He succeeds Mr. Peter Cadbury, chairman of Westward Television, who has resigned.

*

Mr. James J. Hayden has been elected vice president and treasurer of REXNORD INC., U.S.

*

Mr. Ian C. Wood, managing director of the John Wood Group (Aberdeen) has been appointed a director of ABERDEEN TRUST from January 1.

*

Mr. P. E. E. Kleyn Van Willigen, president of the SMIT INTERNATIONAL GROUP, will retire on June 1. Mr. R. W. Scheffer, group managing director, will succeed him. Mr. B. J. Amesz will remain deputy. Mr. J. W. H. Weissink, presently managing director of Smit International's overseas offices, becomes a member of group management on April 1.

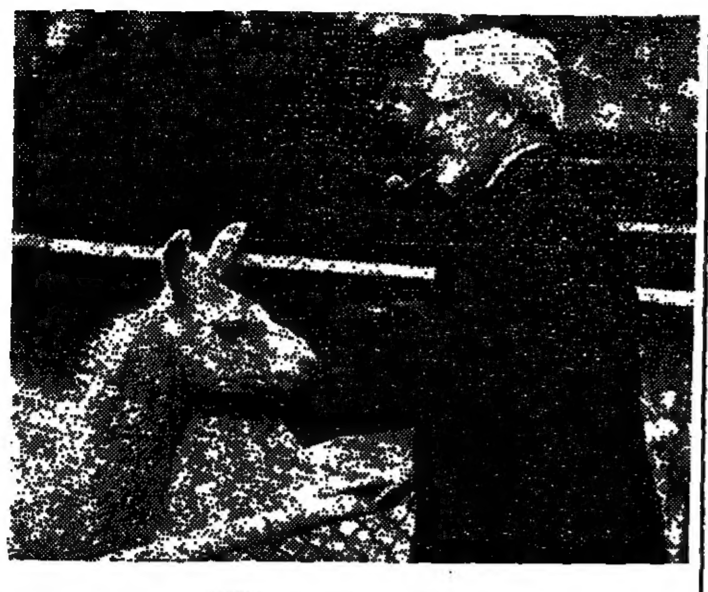
*

At F. AUSTIN (LEYTON) Mr. Frank Austin has ceased to be joint managing director but continues as chairman. Mr. Benjamin Feder has been appointed joint managing director. Mr. Brian S. Terry and Mr. Derek W. Spencer, have become executive directors.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

From the human zoo to the animal kingdom



William Donaldson and friend

WILLIAM DONALDSON got his training for managing the Philadelphia zoo by running the city of Cincinatti. No doubt shocked at the prospect of seeing their city manager give up his appointment to run such an apparently foreign establishment, Cincinnati residents seemed to take it in good humour, judging by the Cincinnati newspaper cartoon that now graces Donaldson's zoo office wall. Passing a gorilla cage, Donaldson remarks, "I just keep getting the feeling I've worked here before."

In the course of his four years in Cincinnati, he gained a nationwide reputation for turning the city's chronic deficit into surplus, a feat accomplished with the help of a gradual, but eventually, dramatic, 20 per cent reduction in the number of city employees.

Like all old industrial cities in America, Cincinnati suffered from a decline in private industry, a weakening of once-selfsustaining neighbourhoods, and deteriorating city services. Such management problems have their counterparts at Philadelphia's zoo.

It is America's oldest, and has been running at a loss every year since 1974. Donaldson, who started his new job last September, has already instituted the same strategy of payroll cuts, worked out with the union so that one union member and one staff member are laid off together.

Donaldson hopes to start a public appeal, and together with the savings made, money will be invested in capital improvements. The zoo's annual $5m budget hardly compares with that of a city, but Donaldson wants to keep better track of his resources with a master plan. This includes reorganisation of the zoo staff, so that department heads exercise more authority. "Because the zoo is so small," he says with an ever-present-and-ever-extinguishing-pipe in his mouth, "the temptation is to make all the decisions yourself. I want them to set more policy. It's the way people grow."

A contemplative, easy-going man of 49, Donaldson hardly seems the type to shake up city administrations or joust with unions. Leaning back into the sofa in his office, he explains it all as a matter of describing to his adversaries their common problem and—wherever possible—letting them come up with the solutions. In Cincinnati, he let each neighbourhood decide how to spend a $5,000 grant made available to them. One chose to clean up the pavements, another advertised its high-quality, inexpensive houses to lure people from the suburbs.

Now, at the zoo, he wants to find out what the customers want. Few if any surveys have ever been done of zoo patrons in the U.S., but Donaldson has found somebody to help him prepare one. But he already knows the direction he needs to follow: "You see kids throwing stones at the animals. It isn't out of maliciousness. They just want to see the animals do something."

To that end, exhibits will begin to resemble the zoo's new "bear country," a large area following a natural contour and accommodating several types of bear. A television monitor allows viewing of an indoor cave at the times when access is not possible. The children's zoo, a special area where animals are more accessible—and touchable—will also be redone to give kids more to do. They will be challenged to run as fast as a cheetah or jump like a kangaroo, or be asked questions on the fascinating lives of the animals.

In out-guessing his customer's needs, Donaldson represents a radical departure from the average civil service mentality. "A city administrator ought to have to deal with people's choices. People may not like your fire department, but there is no question whether they would use it if necessary. Here, I have to give them what they want or they'll just stay home."

Underneath the veneer of the applied common sense projected by William Donaldson, manager, beats the heart of a confirmed animal lover. He first found out the zoo job was going during his weekly visit to the zoo in Cincinnati. The zoo director there told him about it—as a joke.

Donaldson accepted a $15,000 pay cut to go to Philadelphia, but he felt it was worth the sacrifice. His children are grown up and he was looking for some kind of job that he could keep as long as he wanted to continue working. "Longevity runs in my family," he jokes. He is also something of an authority on reptiles and amphibians.

As we walk around the zoo grounds on a wintry day devoid of the visitors who think the zoo is meant for them, Donaldson admits to a certain sense of mission in his work. Calling this the "age of extinction," he foresees a continuing destruction of animals' natural habitats, which may eventually force species to exist only in the artificial climate of zoos. He wants to be sure that zoos at least will continue to be there for them.

Frank Lipsius

Habitat has something in store for the stockmarket

BY JOHN MAKINSON

WHEN Chelsea was the Mecca of swinging sixties London, Habitat was among the most original emporia around the King's Road bazaar. Since then, oriental beads have given way to costume safety-pins as the emblem of chic, but Habitat has flourished, opening stores in such unfashionable spots as Glasgow and Wythenshawe.

There have been a few upsets in between: a disastrous and hastily dissolved marriage with Ryman, the office furniture and startionery chain, in the late sixties; too rapid expansion in France just before oil price rises cut a swathe through retail profits there. The mistakes have made Habitat a more cautious business. It looks with disdain (tinged by envy) at the explosive growth of MFI, the furniture chain, and its executives present a more soberly-suited image than they used to.

The dominant executive in in the group is Terence Conran, Habitat's founder, majority shareholder, chairman and Svengali. But over the last 10 years he has built around him a group of executive directors, led by Michael Tyson, the managing director—who also has responsibility for Habitat's fledgling U.S. operation. The other executive directors are Ian Peacock, responsible for finance, and John Stephenson, head of design and marketing.

Though the other directors have clearly defined functions, Mr. Conran is still the leading light of the business. But he seems to have delegated most day-to-day management. He is frequently travelling, and spends much of the rest of his time at a house near Newbury, where half a dozen Habitat designers have also set up residence. He has no permanent office at the company's small and overspilling premises in London's Covent Garden. In Peacock's opinion Terence Conran "is quite an able conductor at times, but he doesn't play all the instruments."

Nonetheless, Habitat still bears very clearly his personal authority and imprimatur. Conran is chairman of all group subsidiaries, his picture appears prominently on the annual employees review and his signature on the Habitat catalogue. If further evidence were needed, his name is also carried by the U.S. chain of stores, a shop in London and the design wing of Habitat.

Mr. Conran's own style is reflected in the slightly improvisatory way in which Habitat occasionally goes about its business. Shortly before the first U.S. store opened, for example, negotiations to buy the Habitat name in New York from a U.S. company which used it, broke down, and the group had hastily to repackage and remove the brand name from all its products. On the day I met Mr. Conran, a new store was opening in Hammersmith and the tiling was completed only minutes before opening time.

From the start Habitat's strength has been to sell direct from its store a whole range of household equipment, excluding white goods and audio. It began life as a manufacturer, but dropped this after the failure of the joint venture with Ryman to concentrate on what it saw as the more profitable business of selling.

Abroad, the expansion in France during 1974 was out of proportion to the size of the group at the time. Habitat opened a 10,000 square metres warehouse-cum-office and four stores. Aside from the subsequently poor retailing climate, Habitat made tactical errors, notably in opening an outlet next to a gigantic Carrefour Hypermarket. The upshot was that the store had to close and the whole operation was trimmed back.

These problems aside, both sales and profits have grown at an impressive rate since 1975. In 1976, Habitat made a trading profit of £1.5m on sales of £21.1m. For the latest year, the comparable figures are £3.6m and £44.6m. The trading margin has improved from 7.1 per cent to 8 per cent over the same period and the number of employees has increased by half to 1,811.

Conran's broadening of the management team fits in well with the company's plan to list its shares. Swashbuckling entrepreneurs are acceptable in private companies; they go down less well with institutional shareholders. Mr. Conran's stake would be diluted in any case by a listing. At present he holds around three-quarters of the shares and would realise some of these to finance a long-cherished project: building what he claims would be the world's first museum of industrial design, covering a wide range of consumer products.

Museum building is not the only reason for going public. A share listing would establish an effective market for employee shares, which at present account for all the equity capital not held by Mr. Conran.

Trevor Humphries

Ian Peacock, Habitat's financial director, describes Terence Conran (left), the group's founder and chairman, as an "able conductor at times, but he doesn't play all the instruments."

Three years ago, before they became fashionable, the group instituted an employee share scheme and these shares can sold. In the past, an indication of the share value has been given by a complex calculation involving an average of historic group earnings and the average price/earnings ratio of the FT stores index (on which basis it has almost quintupled in four years).

Access to stock market funds is also a consideration, though not, according to Peacock, an overwhelming one since Habitat's cash flow is satisfactory and the main need is for short-term seasonal borrowings, to finance stocks. Mr. Conran says that six months ago Habitat was thinking about the spring or autumn of 1981 for its listing but that the present economic uncertainty, which he refers to consistently as "the thick fog," may result in a later arrival. The group is already making preparations, however, by talking to investment analysts and publishing detailed accounts.

Mr. Conran envisages a situation in which Habitat would be owned in equal measure by employees, outside investors and himself. If a price/earnings ratio of eight (around average for the stores sector) is applied to last year's distributable profits, the whole group is valued at almost £15m.

One major reason for the company's softly softly approach to a listing is its U.S. operation. This is still running at a loss, as budgeted, and Habitat would like it to be in the black before floating the shares. Mr. Conran hopes that break-even will be reached in the financial year to July 1981.

The U.S. adventure is a bold one. Several British retail groups have found North America a hard nut to crack, including such famous names as BAT Industries and Mothercare. Mr. Conran maintains that "the difference is that we have something original to offer whereas they, on the whole, have not." He claims there is no major specialist chain in the U.S. offering a whole range of household goods along Habitat lines, though competition is tough in specific areas. Pottery Barn, for example, is highly successful in the china and glass market.

Learning from the mistakes of its rush into France, Habitat has moved slowly in the U.S., opening a large New York store in October 1977 and then waiting a year before adding another. A third was opened recently. All these are on the east coast of the country, where another three are planned (two in Washington and one around Long Island).

The policy of geographical concentration is deliberate: though Habitat is now looking at the west coast and the mid-west as possible second steps in the U.S. Mr. Conran emphasises that they would be managed by different executive teams.

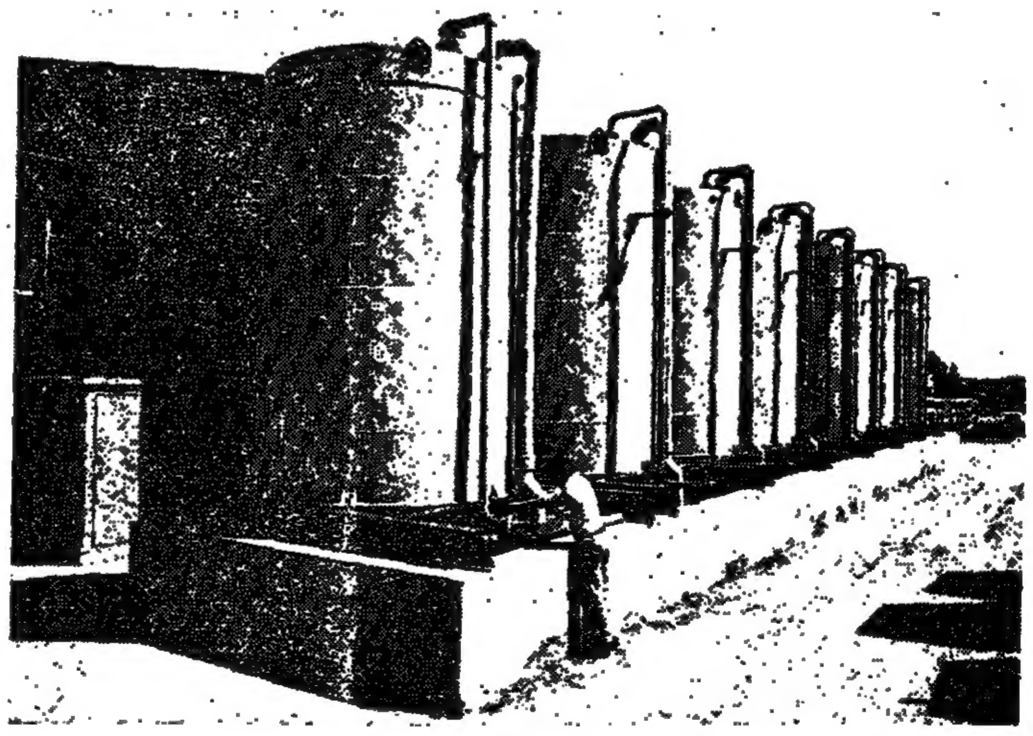
As in Britain, Habitat has based its furniture marketing on cost-cutting exercises such as self-assembly and take-away purchases. The Americans, accustomed to home delivery, "found accepting our puritanical outlook rather a shock," Mr. Conran says.

Apart from the U.S. and France, other overseas growth areas are being considered. West Germany has enormous trading potential but the Habitat style of furniture is already well covered by a highly successful hypermarket-chain. Japan is another possibility but would have to be approached as a joint venture with a local firm. One major obstacle is that Japanese furniture is generally seven per cent smaller than British, so a completely separate purchasing system would be required.

Back in the UK, meanwhile, recent analysis by the company suggests that there is scope for 66 stores in the country, compared with 28 at present. Mini-stores, carrying a limited range, are being investigated, as are hypermarkets. So the group which started in exclusive Chelsea could well end up on the village high-street.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS



These tanks each of 16,000 litres capacity (3 metres high and 2 metres in diameter) were fabricated by Advanced Chemical Equipment of Mirfield, West Yorkshire, and have been installed at Arrow Chemicals of Swadlincote near Derby. One tank contains hydrochloric acid, another a caustic solution and the remaining six hold proprietary chemicals used in the production of industrial cleaners and polishes. The tanks are made from 6mm thick Propylex—British Celanese polypropylene sheet. Two of the vessels are heated and lagged with slabs of polyurethane foam. Advanced Chemical Equipment was also responsible for producing the polypropylene pipework, for supplying mechanical measuring devices and for carrying out spark testing and hydraulic pressure tests before delivery to the site. Metering pumps for this new plant were manufactured by Bran and Leubbe (Great Britain) of Brixworth, Northampton.

● INSTRUMENTS

Measures wind speed

AN UNUSUAL type of wind-speed measuring instrument with no moving parts, aimed at the construction engineering industries, has been announced by Prosser Scientific Instruments, Hadleigh, Ipswich IP7 6DQ (0473 823605).

Many current anemometer designs use mechanical sensors such as vanes or cups which have to be mounted and remain in a vertical attitude—implying a gimbal mounting with some kinds of crane for example. Icing and gale damage problems can also arise and mechanical inertia may mean that such devices are not sufficiently responsive to gusting.

In the Prosser design a major civil engineering company gave assistance. The system has a measuring head based on the change of resistance of a heated element that is being cooled by the passing airstream. The electrical power needed to maintain the element at constant temperature is measured using a bridge circuit with an output calibrated in terms of wind speed.

A direct reading analogue meter is included as standard, while optional remote indicators, recorders and alarm systems can be provided. Suitable outputs allow incorporation into data processing systems.

Normal range is five to 30 metres/sec or 10 to 70 mph, for use in ambient temperatures from −10 to +40 degC. Other scales such as Beaufort can be provided, and the nominal accuracy is +4.5 per cent of the reading. Heaters can be provided to prevent icing obstruction of the head.

Standard power requirement of the instrument is 24 to 32 V dc, 30 mA.

Checks the continuity

OPEN OR short circuits can be located quickly on most types of printed circuit board including multilayer and flexible types, using the A6400 from Gould Instruments, Roebuck Road, Hainault, Essex IG3 3UE (01-500 1000).

The machine, which can handle boards with up to 3600 circuit nodes, consists of the company's A1000 continuity tester integrated into a complete PCB test console.

A reliable mechanically or pneumatically operated head for bringing the circuit board into contact with a "bed of nails" interface is incorporated and it is a simple matter to change test jigs to suit different circuit boards. The jigs can either be customer assembled from kits of parts or supplied ready made by the company.

Printed boards measuring up to 460 x 340 mm can be handled by the A6400. Apart from its use in finding solder shorts, broken and missing tracks and testing flexible and loaded boards, it can also be applied to the testing of backplanes and cable systems.

Finding breaks in cables

LOCATION OF breaks in cables can be found to an accuracy of 250 mm in 100 metres using a hand-held instrument made by Data Precision in the U.S. and available from Farnell International Instruments, Sandbeck Way, Wetherby, West Yorkshire (0937 63541).

The DP 938 is basically a portable capacitance meter, but recently a Farnell customer developed a method which involves taking one capacitance reading from each end of the cable. Knowing the total length it is then possible to work out the distance of the break from one end.

Field tests show that the accuracy of the method depends on how accurately the total length is known. The distance of the break from end A is the capacitance of end A times the length, divided by the total of the readings from the two ends.

● PROCESSES

Rounds off the sharp corners

USE OF melamine veneers has made sharp edges and pointed corners of furniture a potential domestic hazard, and safer, rounded edges of solid or veneered wood have been applied, but this method can be both labour intensive and expensive.

Economical alternative is suggested with the use of a polyurethane moulded coating system, Elastocoat C, from Elastogran UK, Unit 69, Faircharm Industrial Estate, Evelyn Drive, Leicester (0533 823225).

This process has been developed by the company in conjunction with the German furniture industry and promises advantages for manufacturer and consumer alike.

A polyurethane low-pressure processing machine and heatable aluminium moulds are needed to make the polyurethane safety edge. The piece of furniture is fixed in the mould and the space between the surface of the piece and the side of the mould is filled with polyurethane system Elastocoat C. After just five minutes the polyurethane mixture has hardened thoroughly and, because of its high adhesive strength, a homogeneous seamless bond is effected between the furniture surface and the edge.

One fully automatic production line with five or six moulds and only two operators can reach a production capacity as high as 600 pieces per line per shift.

Advantages of polyurethane moulded edges are that they can be matched to any size of surface or type of production and used with any surface material, whether synthetic resin plastic or natural wood.

There are choices of degree of definition of edge and moulding and colour (non-fading) and surface texture of edging material as required, and the edges are said to be resistant to the effects of moisture, elevated temperatures and chemicals.

● MATERIALS

Industrial solvents

ONE OF the major European producers of fluorinated hydrocarbons, Rhone-Poulenc, is now marketing in the UK a range of solvent blends under the trade name Flugene F113.

It has appointed K and K Greeff, Suffolk House, George Street, Croydon, Surrey (01-686 0544) as sole distributor in the industrial cleaning field.

The product is used for the removal of solder flux from printed circuit boards and electronic components. It also has application in the cleaning of precision metal and optical parts, ball bearings and in the metal/plastics plating industry.

● SERVICES

New cranes for old

LATEST ACTIVITY of Crane and Machinery Services (an Acrow company) is to completely recondition mobile cranes in a relatively poor condition so that they may then be offered in "as new" condition at a price between 40 and 60 per cent of the original and with delivery measured in weeks rather than months.

The company refers to these as Group 3 cranes. They are completely stripped down and the engine is usually replaced with a factory reconditioned unit. Axles and transmissions are repaired or replaced as necessary and all badly worn items such as tyres, instruments, and hydraulics are replaced. The totally overhauled crane is then painted to an "as new" specification.

For final testing a special test bed has been laid down by the company to withstand loads of 100 tons/square foot. Maximum jib arrangements are assembled, test loads applied, safety devices double checked and a test certificate issued.

The company's other categories are Group 1, fully inspected cranes sold in existing ex-site condition, and Group 2, fully serviced cranes repaired to safe working order, cleaned, repainted and tested.

More from Challenge Road, Ashford, Middlesex (Ashford 42181.)

● NORTH SEA OIL

Keeping the pipelines clean

GENERAL descaling has won an order from Brown and Root-Wimpey Highlands Fabricators, on behalf of BNOC (Development) to design and build what is believed to be the first pig trap capable of launching six pigs in sequence under one-man control.

For an offshore platform in the Beatrice Field in the Moray Firth, the vertical trap will load all six cleaning pigs at once and release them individually into the pipeline on demand.

A Class 600 16-inch diameter unit, it will be provided with a number of removable baskets. These will minimise work at the platform by enabling the pigs to be preloaded—six to a basket—onshore. Work for platform personnel is thus confined to loading and locking this cassette in the trap, and running the pigs.

The trap is operated electro-pneumatically, the pigs being released into the line one at a time by the retraction of six sequence-interlocked fingers. Other features include a CD ring lock closure equipped with safety bleeder devices to ensure that any internal pressure is relieved before the trap can be opened.

The trap is likely to be in continual use by the operator BNOC, the 30-mile line probably being pigged several times a day. This is necessary to prevent any internal build-up from the relatively high wax content in the oil.

● COMPUTING

Terminals for building society

BIG ADVANCES in the financial terminal market in Britain have been scored by Philips Data Systems in securing a contract from the Bradford and Bingley Building Society.

Branch terminal computer equipment for this organisation, with over 1m accounts and nearly 200 branches countrywide, will serve one of the largest societies in Britain.

The contract covers delivery of the PTS 6000 range of keyboards, displays, printers and terminal computers during the period 1980-1982, the value of the contract being in excess of £3m.

Selection of Philips followed an extensive and detailed evaluation by Bradford and Bingley, and was significantly influenced by the design aspects of the PTS 6000.

Bradford and Bingley is the third building society to choose Philips as branch terminal computer system supplier.

Philips Data Systems on 0206 5115.

Belgian software centre

AMERICAN microcomputer system software house, Microsoft has joined with Belgian-based concern Vector International to jointly establish Vector Microsoft.

The new company will be a wholly-owned subsidiary of Vector International and will be located at Haasrode Research Park near Brussels. It will have exclusive marketing responsibilities for continental Europe, with rights to sell in the UK, Ireland, Eastern Europe and the Middle East.

Microsoft has recently released three new products including a fifth generation of Basic-80 interpreter, a Basic compiler which, it is claimed allows applications to be run five to 10 times faster, and a Basic interpreter for 16-bit microcomputers, claimed to be the first on the market. It is called Basic 86 and is available for evaluation in a stand-alone disc version running on the Intel SBC 86/12.

More from Vector International n.v., Research Park, B-3044 Haasrode, Belgium.

● ELECTRONICS

Bench-top testing equipment

MOST of the facilities of the company's MB7700 automatic test equipment family can be provided as options in a new version of Membrain's MB7710, a bench-top tester with full diagnostic ability which is offered at under £25,000.

The MB7710 consists of two units linked by multiway cable. One incorporates the pin electronics and test head while the other houses visual display unit, keyboard, and floppy disc drive with control electronics.

Most of the standard MB7700 software can be used including the digital guided probe diagnostic package "Hypoint" and the response learning program "Mentur." An IEEE 488 interface can be used and the system can drive and sense up to 160 test points. Particular attention has been paid to ergonomics and fixture arrangements.

More from the company at Ferndown Industrial Estate, Wimborne, Dorset BH21 7PE (0202 893535).

● TRANSPORT

Experiment with a bus engine

AS PART of a programme to evaluate energy-conserving ideas, the National Bus Company in conjunction with Leyland Vehicles has put a liquefied petroleum gas-powered Leyland Atlantean vehicle into service with the Ribble fleet.

The vehicle conversion has been made by National Bus Company at the Ribble central works with assistance from Yorkshire Autogas of Halifax and using an experimental engine supplied by Leyland. The bus will be used in Carlisle.

LOMBARD

Oil price poser for politicians

BY DAVID BUCHAN IN WASHINGTON

NORTH AMERICANS have to accept OPEC price increases like the rest of us. It is quite another thing for them to grin and bear it when their politicians start pushing up their own domestic oil prices. The next few months will show whether U.S. and Canadian voters are stoic enough to swallow the unpalatable medicine President Jimmy Carter and Prime Minister Joe Clark of Canada are prescribing.

Pledge

Mr. Carter, whose phased decontrol of U.S. oil prices is the bedrock of his energy policy, faces the primary election contests this spring. Buoyed in the polls by popular reaction to the Iran crisis, the President may yet come a cropper on the energy issue. Mr. Clark may already have done so—a proposed 18 cent (Can.) a gallon petrol tax increase brought down his budget and his Government. But he has pledged to reintroduce it if returned to power in the February 18 general election.

The nature of the dilemma facing each man is very similar. The U.S. and Canada promised their European and Japanese partners to bring their domestic oil prices up into line with world levels. The aim is to reduce imports by the pincer effect of stimulating production and squeezing consumption at home. U.S. imports, as we all know by now, are gargantuan, around 8m barrels a day. Canada's imports are still small, 150,000 b/d, but could treble by 1985.

The political nightmare for both men is that not only is the catch-up to world levels likely to pain their voters, but it actually has to be painful—if Americans and Canadians are to conserve more and consume less. How do you persuade voters to put you back in power when you have chewed a large hole in their pockets? One thing that helps is to try to placate the oil consumer by soaking the oil producer — the Sheiks of Houston and Calgary. An oil profits tax has nearly passed the U.S. Congress, and something similar was part of the Canadian budget package.

Canada should have one advantage over the U.S. in tackling the problem of consumption. If a new government comes in with an overall parliamentary majority (which Mr. Clark so far did not have) it can ask parliament to slap on petrol tax increases almost overnight, and make them stick. Not so in Washington, where a similar move could only emerge out of months of pulling and hauling in Congress. Mr. Clark's defeat on his 18 cents has reinforced those in the Carter White House who have argued that a mooted 50 cent (U.S.) tax on a gallon of petrol spells suicide in an election year.

Otherwise, Canada is more seriously out of kilter. Canadians already have the world's highest per capita energy consumption — 52 barrels of oil equivalent. Their cold winter and the strung-out distribution of their population plus the prevalence of energy industries are part of the explanation — but so is waste consumption. It is still rising. Canadian drivers used 4.3 per cent more petrol in January-September this year: the U.S. consumption, because of steep price rises and shortages, went down by almost the same percentage in that period.

Both countries are trying to hit a moving target, those ever-higher world prices that keep receding like a desert mirage. The U.S. has at last a reasonable plan to close the gap. Under the Carter de-control, a progressively larger volume of U.S. produced oil is freed from controls. By October 1, 1981, when all U.S. controls expire, all U.S. oil should in theory be traded at or near the world price.

Disheartening

Canada, however, is going much slower down the old path of price fixing across-the-board. Its outgoing Tory Government wanted to increase the domestic price for crude by C$ 4 a barrel in 1980 and C$ 4.50 in 1981. With its defeat, all that is certain is that Canadian oil will rise by a paltry C$ 1 to C$ 14.75 on January 1. At that rate, they will never catch up with OPEC.

Disheartening, but apt for Canadians are the words of the Red Queen to Alice: "You have to run as fast as you can to stay where you are. If you want to get anywhere else you must run twice as fast as that."

Averting a Christmas Armageddon

BY JOHN GRIFFITHS

AROUND BRITAIN

THE NORTH SEA

"Prevent hangovers—stay drunk."

EVEN ON Christmas Day—no-one was following the advice proffered on Ronnie the medic's lapel badge. But when you're living on top of 649 feet 6 inches of spidery steel structure—to say nothing of a mountain of oil and gas—110 miles out in the North Sea, then you expect to make sacrifices.

On the Occidental group's Claymore production platform, as on most other North Sea installations, approval has to be sought even for the brandy for the Christmas pud or the wine for the supreme guinea fowl marechel.

Not that it's needed for the smoked salmon au citron:

Or the salmon en croute castinel;

Or the jellied breast of duckling;

Or the roast venison and sauce royal;

Or the tournedos rossini, royal game soup, bombe alaska rum savarin with fresh cream, vacharin lychees, cheese board or petit fours.

At least the platform's 230 crew go thirsty in style....

There is a popular belief that North Sea rigs and platforms are populated entirely by hard-bitten, red-necked Americans and huge, hirsute Scots whose idea of a pre-lunch aperitif is ten pints "ae heavy." In fact, as Mr. Colin Seaton, Claymore's operations superintendent, points out, most of the men on the Claymore platform "are ordinary guys like you and me with wives and huge mortgages."

A few of the work force of the various contractors who populate the platform for a variety of reasons at any one time—Occidental's staff comprises only 20 per cent of the total—were planning to pick up headaches in the bars of Aberdeen before making their assorted ways home on Christmas leave; but most were intending to get straight off the British Airways helicopters which service the platform on to connecting flights home to wives and children.

Thus the "no drinks" rule on the platforms is designed less to prevent an Armageddon of the Celtic v. Rangers variety than to ensure that judgments are not impaired when undertaking the 101 activities, many of them potentially hazardous, comprising the everyday life of platform folk.

Indeed, safety is the main concern of the "OIM"—the Offshore Installation Manager—in the case of Claymore he is Chuck Nelson, a tall, rangy American veteran of oilfields from Alaska to Venezuela. It is Nelson who has the sole prerogative to order the abandoning of the platform in a crisis, and to enforce other rules set out in a safety booklet running to 43 pages and which is mandatory reading for all on the platform. Woe betide the man lighting his Christmas cigar anywhere outside the living and working quarters specially pressurised to keep out inflammable vapours.

They are rules with which all the men seem fairly happy to come to terms. "Sure, it would be nice—and I don't think it would be much of a problem—if they fixed things for the Christmas dinner so you could be handed one glass of wine at the door to have with your meal. That way you should be able to stop anyone hoarding it," suggests Robert Carby, a pipefitter on Claymore with a Strathclyde engineering company whose two weeks on, one week off shift this year allowed him to be home for Christmas at Greenock. "But it doesn't really bother anybody: the money out here's good and you simply learn to accept it." For Robert Carby and men like him this can mean £1,000 pre-tax for the two-week Christmas holiday stint; rates for the rest of the year tend to be about two-thirds that sum.

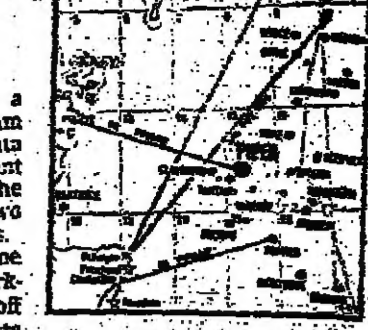
There is no shortage of candidates for work on the platforms, even if Christmas Day on Claymore was spent working just like any other. All the men aboard do 12-hour shifts, keeping Claymore's 100,000 barrels of oil a day flowing northwards to Occidental's terminal on the Orkney island of Flotta. But apart from the very extensive menu—one of similar, gourmet dimensions will be served on Hogmanay — there were other touches to inject a Christmas spirit. In a mess hall festooned with decorations, self-service was discarded in favour of waiters, and the trimmings ranged from napkins to crackers. With the meal over, the men could relax over shuffleboard, pool or darts. For the less energetic, there were a selection of films, running for an average of 17 hours a day in the platform's small cinema, or TV programmes, some 50 hours of which were specially videotaped for the Christmas and New Year holidays.

Claymore does have its own telephone switchboard, but with only four lines its use is reserved for business, so there is no question of being able to phone home with seasonal greetings. Again, most men accept the restriction philosophically: "The point is, my work routine actually allows me to spend more useable time at home than most guys doing a nine-to-five job," says Graham Bushnell, a geologist and data engineer from Stoke-on-Trent who has spent 4½ years in the North Sea, mostly on a two weeks on, two weeks off basis.

Others are not so sure. One young Scottish roustabout, working two weeks on, one week off for the past 18 months, insists that "it plays hell with the wife and bairns; it is worthwhile doing this for a couple of years as a way of getting some money for a house. But for me, it is out."

That attitude is fairly widespread among the work forces of the contractors who carry out maintenance and construction work on the platform, and it is among them that labour turnover is highest. Among the more specialised personnel, particularly Occidental's own staff and the 64-strong team of Bawden, the platform's drilling contractor, the picture is rather different. Many, like Chuck Nelson himself, are veterans of the oil business who, with their families, have long since adjusted completely to the life. "Oxy's" own staff turnover on Claymore is less than 4 per cent a year.

Even the crises that can crop up in the North Sea's hostile waters have not made Nelson look for a softer life elsewhere. He was one of the men evacuated from the storm-battered



Auk platform in the winter of 1976, and two weeks ago, when near-100 mph winds again raced across the North Sea, Claymore came close to shutdown. The platform was buffeted by 60 ft waves, helicopters were unable to land—their pilots do not normally fly in winds over 60 knots—and supply vessels were unable to berth. As it was designed to do, Claymore rode the storm out. The platform is designed to withstand a hammering from winds of 114 mph and waves up to 100 mph—criteria deemed as the "once a century" storm.

Certainly the weather was not the main thing worrying the men going on shift on Christmas Day. The work is hard, the hours long and the desire to sleep afterwards strong. And on Christmas Day that can present problems.

"Obviously they can't keep that sort of menu going for 24 hours," observes Robert Carby. "Last year I slept through the whole lot."

"In the end, Christmas dinner for me was a bowl of cheap cornflakes."

Tarbank best for Newbury

RACING

BY DARE WIGAN

AT NEWBURY this afternoon Fulke Walwyn saddles Tarbank in preference to the Queen Mother's Special Cargo for the Elcot Park Novices Chase (12.30).

It will be surprising and disappointing if this gay gelding by Targogan, who ploughed through the mud to win by 12 lengths at Warwick just over a week ago, does not supplement that success today. I believe both he and Special Cargo have a bright future over fences.

If Tarbank is a promising steeplechaser, it would also appear that Random Leg, from Ireland, whom Josh Gifford trains for Major Derek Wigan, is a more than useful recruit to the ranks of four-year-old hurdlers.

Certainly he produced a devastating spurt at Cheltenham three weeks ago when he sprinted clear up the hill to beat Bealnablath and Stoic Yarn, both of whom had won their previous race convincingly. Random Leg looks like justifying favouritism in the Ramsbury Hurdle (2.30).

Lady Herries, who trains a small team of jumpers successfully at her home, Everingham Park, near York, has sent Lanarkland and Set Point south to run in the Challow Hurdle (1.30), and the Weyhill Handicap Chase (2.00) respectively, and I think both will go well.

Penctaig, a convincing winner in soft ground at Worcester earlier in the month, has Fury Boy to beat in the Hungerford Handicap Chase (1.00).

"Blessed is she among men," observed the commentator as Mrs. A. Ferris, on the rank outsider, Irian (25-1) passed the post just in front of the co-favourite, Twinburn, in the Sweeps Handicap Hurdle at Leopardstown yesterday. It was a typical Irish result, and Mrs. Ferris the only woman rider in the race, rode superbly, being altogether unflustered when challenged all the way up the finishing straight by the powerful T. Quinn. In his three previous races Irian had been partnered by that great Irish jockey, T. Carberry.

NEWBURY

12.30—Tarbank***
1.00—Penctaig*
1.30—Lanarkland
2.00—Set Point
2.30—Random Leg**
3.00—Knocknagin

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

TV Radio

BBC 1

† Indicates programmes in black and white.

10.00 am What a Mess. 10.05 Jackanory. 10.20 Captain Caveman. 10.30 Why Don't You . . .? 10.55 Magic Roundabout. 11.00† Zorro. 11.20 Mickey Mouse Club. 11.55 Greatest Heroes of the Bible. 12.45 pm News. 1.00 The Queen in Arabia. 1.50 Camberwick Green. 2.05 "Stagecoach:" Film. 3.53 Regional News for England (except London). 3.55 Play School. As BBC2 11.00 am. 4.20 Maxidog. 4.25 Jackanory. 4.40 Jack and the Beanstalk. 5.35 Ivor the Engine.

5.40 News.

5.50 Regional news (except London and the South East).

6.00 Up a Gum Tree.

6.30 "A Funny Thing Happened On The Way To The Forum," film, starring Zero Mostel and Phil Silvers.

8.05 Penmarric.

9.00 News.

9.15 "Sleuth," film, starring Laurence Olivier and Michael Caine.

11.29 News.

11.30 The Best of Dean Martin.

12.35-12.40 am Weather.

All regions as BBC1 except at the following times:—

Wales—1.50-2.05 pm Syrcas Mistar Sam. 5.50-5.55 Wales Today. 5.55-6.00 Newyddion. 12.35 am Weather.

Scotland—5.50-6.00 pm Scottish News. 12.35 am Weather.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.50-6.00 Northern Ireland News. 12.35 am Weather.

England—5.50-6.00 pm Regional News (except London and South East). Tom and Jerry (London and South East only). 12.40 am Close.

BBC 2

11.00 am Play School visits Portsonachan, Scotland.

4.25 pm Film: "Moby Dick," starring Gregory Peck.

6.15 Lieutenant Kije with music by Prokofiev.

6.30 The Light Princess.

7.25 News.

7.50 In The County.

8.15 Kate Bush.

9.00 Not the Least of the Nine O'Clock News.

9.35 The Bobby Bare Music Show.

10.20 News.

10.35 The Man You Loved to Hate: portrait of Erich von Stroheim.

12.05 am Something Else.

12.45 Music at Night.

LONDON

9.30 am The Search for the Persian Royal Road. 10.20 The Invasion of Johnson County. 11.55 The Bubblies. 12.00 Song Book. 12.10 pm Once Upon a Time. 12.30 Thundercloud. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 The Winds of Kitty Hawk. 3.45 Aladdin. 4.45 Magpie. 5.15 The Solid Gold Top Twenty.

5.45 News.

6.00 Thames News.

6.30 Thames Sport.

7.00 The Muppet Show.

7.30 The Comedians.

8.00 "The Man in the Iron Mask," film.

10.00 News.

10.30 Soap.

11.00 Vegas.

12.00 George Hamilton IV.

12.25 am Christmas Pie.

All IBA regions as London except at the following times:—

ANGLIA

ATV

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

Radio Wavelengths

RADIO 1

RADIO 2

RADIO 3

RADIO 4

BBC Radio London

London Broadcasting

F.T. CROSSWORD PUZZLE No. 4,160

ACROSS

1 Skip country of origin of beauty queen (4, 7)
7 Strike back at standard (3)
9 Mark has fresh start for preventing a pain in the neck (5)
10 A section intended, we hear, for the flat (9)
11 Officer blushing to reach standard afloat (3, 6)
12 Shade turns out to be one returning for example (5)
13 Stranded youth setting a happy standard (7)
15 Solicitor in East-end dismissed (4)
18 Verbal dexterity outside right finds in summons (4)
20 Book reviewer in company is all ears (7)
23 It's used for evening form of transport (5)
24 Trader who doesn't go to extremes (9)
26 Winning everything during big fight (5, 4)
27 Make up an accent (5)
28 Draw a bond (3)
29 Part of Yorkshire by custom making horsy clothes (6, 5)

DOWN

1 Don't rely on fog and corrosion (8)
2 Rank of deputy German leader (8)
3 The Spanish part of fish is small and mischievously charming (5)
4 Down to earth attraction (7)
5 Opposed to a profit on the way (7)
6 In which one is obliged to tax a vault (4, 5)
7 Almost exact summary (6)
8 Split on female for choice (6)
14 Stop offer being made to hotel worker (9)
16 A vault round doctor with deadly weapon (4, 4)
17 Part of church making strange patterns (8)
19 Fell and grasped what meaning there was (7)
20 Last word about a divine bachelor with nothing on his belly! (7)
21 Odds one obtained for Peg controlling flow of liquor (6)
22 Tasty morsel accountant gets on back of neck (6)
25 Hound controller with the French hard wood (5)

Solution to Puzzle No. 4,159

Cinema

Spaced out in Vietnam

by NIGEL ANDREWS

Vampires. Vietnam, *space* monsters, Superman, nuclear disasters, sharks, Joan Collins, rabbits, Mods and Rockers, hobbits, space, more space, James Bond, more space.

Filmgoers who think they are *seeing stars the whole time are* not suffering from concussion. They are seeing stars the whole time. The year 1979 has been *force*-feeding us Outer Space from January to December. Interweaved with two master*pieces about Vietnam, it has* been an interstellar year. Space has been big at the box-office, and gross-hungry producers eyeing also the success of *The Deer Hunter* and *Apocalypse Now* cannot take long before they hit on the magic formula for 1980: the first movie to meld Vietnam and Space.

Foolish, you say? Facetious? Ah, but it has already, in a sense, happened. *Alien*, the most successful "original" creation in the movie year (*Moonraker*, *Superman* and *Jaws 2* all grossed more money but were all derivative from eminent forerunners), hit on the bright idea of transposing guerrilla *warfare* to Outer Space. All the nightmares of Vietnam engagement—of sudden ambush, of superior technology and manpower outwitted by stealth and camouflage—unreeled aboard the spaceship "*Nostromo*" *as its seven adven*turers from the Western world dealt with a native menace jabbing and biting from the darkness of its own world.

A propos of teeth, those prime weapons in unconventional, "*surprise*" *warfare*, 1979 *has* been a year of unprecedented dental fixation. No sooner have filmgoers unfixed the incisors of the *Alien* or *Jaws 2* from their necks than a dozen vampires swoop down on them and take over jugular-duty. I lost count of the number of movies devoted to a return visit from Bram Stoker's parasite in Byronic clothing. There was Werner Herzog's *Nosferatu*, repolishing the rodent fangs of Murnau's 1922 silent-horror classic; there was suave Frank Langella walking through the well-upholstered *Dracula* of John Badham; and there was George Hamilton taking the Transylvanian mickey in *Love at First Bite*.

Nor should you forget the toothsome rabbits in *Watership Down*, or Richard "Jaws" Kiel, the steel-toothed hit-man of *Moonraker*, or those incisive fish in *Piranha*, or the fire-breathing, ivory-fortressed jaws of *Pete's Dragon*.

Is there a moral in all this, or am I just wandering? I suggest there is a moral and that few leitmotifs in popular iconography are purely accidental. *Ever since Jaws raised* the dreadful, mythological spectre of castration — and worse—underwater (note the similarity of the neck-high-in-water with water-rats scenes in *The Deer Hunter*), teeth have been "in" as a terror formula in movies. (They even provided the *grand guignol* centre-piece of John Schlesinger's *Marathon Man.*) Teeth are the deadly weapons that flash out and snap *from quiet concealment*. As such they're remarkably handy symbols for an age of terrorism, kidnapping and guerrilla warware, when the Great Powers are unmanned by the Small Sniper, and when subtle Davids are outwitting stolid Goliaths at every turn.

Certainly there has never been such an alarmist, scare-easy, tremor-prone cinema as in recent months. Suddenly disaster movies, for example, which seemed only a year ago to have run their course, have stormed back into the movie consciousness, hurling Alarums and Excursions at us from all quarters: *Beyond the Poseidon Adventure, Airport '80, Meteor*. It's as if the catharsis of the disaster genre had been discarded before it had worked its cure, and suddenly the ailing *patient realises he needs another* dose.

Meanwhile Space, that Great Unknown that both beckons and terrifies, appeals and appals, works its schizophrenic spell on cinema audiences. The next decade will tell us whether, in Variety magazine's immortal coinage, Space has "legs"—i.e. staying power—as a cinematic attraction. But the 1970s have gone out with a flurry of interstellar movies and 1980 promises us further such in *Saturn 3, Star Wars Part Two, Flash Gordon* and a fistful of other galactic junkets.

Quantity having upstaged quality in the recent Sci-Fi products, Space doesn't feature largely in my Ten Best Films of 1979. But Vietnam does, and both the war epics cited above are included. Although *The Deer Hunter* seems to me to have the edge on *Apocalypse Now*, they're both monumental achievements, stacked high with imagination and echoing to more *original ideas about war*, America and the human spirit than may be found in all the rest of the decade's Vietnam output put together.

Alien, Eagle's Wing and *Quadrophenia* also feature in the charts, waving a threefold flag for British cinema. The first was the year's niftiest spine-chiller, directed in Britain *by our very own Ridley Scott*; the second was a rhapsodically offbeat Western directed by Britain's Anthony Harvey and backed by—of all hitherto sciatic organisations — Rank; and the third was Franc Roddam's raw and funny chunk of British social history, hymning the bygone days of Mods and Rockers.

Two curios from *far*-flung corners of the globe, which came and went with far less ceremony than they should, were Philippe Mora's *Mad Dog* from Australia and Theodore Balafoukos's *Rockers* from Jamaica. Mora's harsh, bleeding-tableau recreation of the life of "*Mad Dog*" *Morgan was a* maligned precursor of the Australian New Wave that turned out, on belated inspection, to be far better than most of the films that that "wave" produced. *Rockers*, a loose, loopy, hilarious reggae film from the Caribbean, wins my Best Musical award for 1979.

I have also smuggled into my list two films from the London Film Festival: Eric Rohmer's exquisite movie-ballad *Percival* and Tsui Hark's *The Butterfly Murders* from Hong Kong, the best and craziest "adventure" film of the year. *Please* will *some British distributor show* either or both? If not, plans will be going ahead to found my own cinema, where I shall showcase them as the opening double-bill.

And finally *Breaking Away*. I wrote about this last week, and what more is there to say? It's pure enchantment at 24 frames-per-second, and you should be booking now for a seat at the *Gate Two cinema*.

Here then is the full roll-call, strictly in order of preference:

The Deer Hunter
Breaking Away
Percival
Eagle's Wing
Mad Dog
Rockers
Apocalypse Now
Alien
Quadrophenia
The Butterfly Murders

The last two films of 1979 are *Bear Island* (A, Leicester Square Theatre), and *Caravans* (A, Classics Haymarket and Oxford Street). In a pantheon of the year's silliest movies both, I think, would stand a chance of qualifying.

Bear Island is Alistair McLean's sortie into the frozen North. A star-studded party of UN scientists, led by Richard Widmark, Donald Sutherland and Vanessa Redgrave, land on *an Arctic island to investigate* shady doings by the Russians, who appear to be sabotaging world weather conditions. But *it is not long before* mettle more attractive diverts the party's attention, namely, a cache of gold hidden in an abandoned German U-Boat. (The island used to be a Nazi submarine base). Mercenary rivalries flare, and soon the snowy wastes echo to the revving of snowmobiles, the exchanging of blows and curses, the icy ping of gunshots and the contortions of Vanessa Red*grave's Norwegian accent*.

Miss Redgrave steals the film, if not the gold, with her wondrous essay in Scandinavian phonetics. (Has she been slaving over a hot Linguaphone record?) Her never-say-die *determination to call* Mr. Sutherland, who plays Frank, "Frahnk" doubtless accounts for his air of bearded distraction during most of the film, and elsewhere her tendency to sing-song her role as if understudying the Swedish chef on the Muppet Show makes it no surprise that disbelief in her in particular and the movie in general is seldom suspended. Don Sharp directs the action set-pieces with dash and professionalism—an avalanche, a *falling radio-mast, a boat chase* —but the dialogue and performances (not only Miss Redgrave's) are stretly Amateur Night at the Eskimo Rep.

Caravans is just as egregious in its loopiness. Indeed if one disregarded the fact that snow has here been exchanged for sand, and Vanessa Redgrave for Anthony Quinn, it all seems part of the continuing woof of big-screen escapist inanity.

Mr. Quinn is the bread-winning Bedouin dromedarying across the desert, while Jennifer O'Neil is the rich American girl who camp-follows him and his tribe over the desert, for reasons that I could not readily determine. Nor did I understand why Michael Sarrazin, as a U.S. civil servant out East, took so long to find her and then when *he did find her why instead of* extracting her *he* started camp-following the nomads. The siren attraction of these hirsute and laconic tribesmen must obviously be fatal but it eluded me. I prefer to cherish, and to refer the reader to, the last scene of Sternberg's *Morocco*, in which Marlene Dietrich kicks off her high heels and strides *into the desert*, grabbing a convenient goat and joining the departing tribal ladies. That, at least, had style, and Dietrich, at least, was following love and Gary Cooper.

'The Deer Hunter'—a monumental achievement

Scene from 'Caravans'

New York Theatre

California comes to Broadway's aid

by FRANK LIPSIUS

Talk of bad timing: the last Broadway opening of the decade, a Black American version of "*A Christmas Carol*," is set to disco music and arrived four days before Christmas. But "*Comin' Uptown*," as the hybrid is called, does convey a lively spirit of the season that, with the marvellous performance of Gregory Hines as Scrooge, deserves a better fate than timing alone should dictate. Even its gaudiness, which at times resembles a Las Vegas extravaganza, manages to fit the theme of a miser who takes from the poor and gives to himself, victimising the whole Black community along with Mr. Cratchit. Gary Sherman's music, far from being just disco, covers the gamut of popular Black music from spirituals to rock 'n' roll, and with Michael Peters's choreography, makes the long "Lifeline" dance number into a history of Black popular idioms through the century. Philip Rose's direction combines a superb eye for detail (abetted here by Ann Emont's impeccable costumes) with ability to blend a serious theme into the book he wrote with the lyricist, Peter Udell.

Among the play's producers are Columbia Pictures, one example of a recent trend for film companies to reduce the cost of buying film rights by putting up the money for the Broadway production. No doubt "Annie" which cost Hollywood about $10m for the screen rights, convinced the film moguls to take a chance earlier in the show's life, to save money later on. Broadway successes like *Best Little Whorehouse in Texas* were financed this way, as was an off Broadway failure this season, a musical version of Kurt Vonnegut's novel *God Bless You, Mr. Rosewater*. A popular writer who has a taste for the unconventional, Vonnegut gave the stage rights to the novel to his daughter, Edith, one of the producers credited besides Warner Bros. If there is a danger in film companies' predatory interest in legitimate theatre, it is shown here where one might surmise a film will eventually be made whatever the condition of the play. This one seems hastily put together, with a tiered stage built for some reason as the office of The Rosewater Foundation, undistinguished songs that are screamed at the audience, and choreography that at times resembles the knee exercises football players do when running up stadium steps.

Film companies' investing in Broadway attests at least to the health of the legitimate stage. But what price will the rich West-Coast cousin exact to rescue his high minded and poorer East-Coast relations? Tune in next decade for the answer, but meantime take comfort in knowing that Hollywood's investment indicates the need for Broadway as a continuing *source of inspiration*—and, because film corporations' money tends to be spent on musicals, the most expensive and most popular side of Broadway has found itself a Daddy Warbucks with a head, if not a heart, of gold.

If we can expect musicals in future to arrive in pre-filming condition, it should be noted that *Sweeney Todd*, Stephen Sondheim's latest musical, had an inauspicious start as a record-breaking $1½m production with a grizzly theme and a score more operatic than popular. It tottered to the edge of closing till garnering Tony awards for its excellent production and cast (led by Angela Lansbury and Len Cariou). So musicals enter the new decade with a means of weathering the tide of rising costs, while dramatic theatre can take comfort only in knowing that it survived the 70s, somehow, without the once standard ritual of money-making but risky pre-Broadway tryouts along the East Coast. Instead, producers came to look for Broadway material in New York's own off- and off-off Broadway houses. The Hudson Guild under Craig Anderson supplied numerous Broadway houses with *long-running* dramas, which were shown first in the Guild's small hall in the middle of a public subsidy housing project. Joseph Papp exchanged *Hair* for *A Chorus Line* as his Broadway sell-out that subsidises the Public Theatre, Papp's brave success in repertory theatre. For the foreseeable future, the health of Broadway will depend on the health of off-Broadway, a diagnosis that the most *squeamish doctor would at* the minute not be afraid to tell his worried patient.

Off-Broadway took shape this decade as a viable alternative to Broadway where numerous notable playwrights did most if not all of their work. David Mamet, Sam Shepard, and Thomas Babe are three of the more successful writers who thrive off-Broadway, keeping active for their own benefit and the theatre's. Thomas Babe's latest play, *Salt Lake City Skyline*, about the trial of radical 1930's unionist Joe Hill, will soon have its premier at the Public, where he has just directed the production of *Justice*, a play written by *Village Voice* drama critic, Terry Curtis Fox. The clever banter of young lawyers whiles away the time between twists of plot, which do come to an amusing and surprising end. The striking set by Andrew Jackness, thrusting a Chicago law office out into the audience, attests *to a new level of atten*tion, and money, being spent on producing off-off Broadway shows.

David Mamet directed his own set of three plays, known collectively as *Reunion*—at the Circle Rep. Mamet, who only rarely writes about families has three different father-daughter arrangements that prove much *less fruitful than his studies of* man at work and play. There, the personal obtrudes obliquely and all the more interestingly: here, even the sensitive acting of Michael Higgins and Lindsay Crouse cannot conceal the embarrassing gaps in unexceptional conversation caused by too much baring of the soul.

Sam Shepard's *Buried Child*, *which won the Pulitzer Prize as* best American play last year, is enjoying a long off broadway run, outlasting the playwright's *Seduced, which is a rambling* version of the Howard Hughes myth of rich man with an aversion to touching anything. Shepard is now working on a project at the Public Theatre of Music, Poetry and Dialogue.

Another playwright of the same calibre with a more varied history, having started in London writing lunchtime fringe plays and more *recently the* the screenplay to *Hair*, is enjoying a long off-Broadway run of his latest play, *Loose Ends*. Working closely with director Alan Schneider, writer Michael Weller has fashioned a history *of his generation starting on a* beach in Bali in 1970 and ending in 1978 in a New York penthouse with a view of Central Park. Weller's extraordinary ear for dialogue mixes extremely well with plots that *include momentous events*, but ultimately seem to be cajoled along by the rhythms of time. Kevin Kline and Roxanne Hart make an attractive couple for the pair whose relationship charts the course of the 70s.

Despite lingering fears for its health, off-Broadway has had some startling evidence of prosperity, like the Manhattan Theatre Club's star-studded production of John Halpern's *Losing Time* directed by Edwin Sherin. *The production boasts* Jane Alexander and Shirley Knight in the main roles and Tony Roberts in the supporting cast. The high calibre production was all the more surprising considering the disappointing quality of the play, which merely promoted in turn all the possible sexual combinations among two women and two men, accompanied by a lot of vituperation, instead of music, in the change of partners.

Earlier in the season, Irene Worth played Winnie in the *Public Theatre's production of* Beckett's "*Happy Days*," directed by Andrei Serban. The director has acquired a taste for beautiful sets, which here glow pink in the chirping optimism of Winnie's constant chatter, but thereby fail to reflect the menace against which, waist-high and immobilised in the earth, she is cheering herself up. *Miss Worth gives Winnie a* matronly dignity that makes the trivia she concentrates on shine at first with optimism and increasingly with a sadness that never quite reaches despair.

Celeste Holm, who was the original Ado Annie in "*Oklahoma*" in 1943 and became as venerated a part of American musical comedy as the dancing, recently took over the off-off Broadway Harold Clurman Theatre to perform a one-hander about Janet Flanner. Adapted and directed by Paul Shyre, the production fails to capture the quality of writing Flanner contributed to the New Yorker as their Paris correspondent for 50 years. Having extracted most of the autobio*graphical material from* dispatches that were rarely autobiographical, the reminiscence deteriorates into name dropping self-absorption, unrelieved by the intrusion of an unexplained but obviously up*setting phone call* and subsequent parting note from an unnamed friend.

A half-American, half-English cast skilfully carry off the verbal pyrotechnics of Nigel Williams's *Class Enemy* as imported to off-Broadway. The audience may learn more about a London Comprehensive School *than they thought they wanted* to know, but the claustrophobia of the setting under Tony Tanner's direction intensifies the conflict among the excellent cast led by Maxwell Caulfield as Iron and Bruce Wall as Sky-*Light. The British company*, Mental Guerrillas, settled into an off-off Broadway loft to present Heathcote Williams's *The Immoralist*, a disconcertingly dry and derivative expostulation on the supernatural. Andrew Dallmeyer and Neil Cunningham give the interview-style work more conviction than it deserves, while another import, Tom Stoppard's *Dog Hamlet, Cahoot's Macbeth*, done by Ed Berman's new British-American Repertory Company, was one of three Stoppard works to appear this year in New York. *Every Good Boy Deserves Favour* had an American cast in a limited *run at the Metropolitan*, Opera House, while *Night and Day* opened recently on Broadway with Maggie Smith in the leading role.

While waiting for a major new repertory company headed by London director David Jones to open its season in 1980, the Brooklyn Academy of Music has enjoyed the less prosperous but admirably ambitious work of the Dodger Theatre, a makeshift group that has done a stark, hard-bitten version of *Wrozek's Emigrees and a holiday musical cartoon* by Jeff Wanshel called *Holeville*. The musical combines gratuitous violence, repetitious dialogue and silly songs with an excellent production directed by Des Mcanuff, a stunning set by Heidi Landesman imitating an American mobile home, and supercharged energetic acting from a *cast that includes Don Scardino*, Philip Casnoff, Deborah Rush and John Bottoms. As elsewhere, the production gives more to the play than it does to them.

The optimism with which the theatre faces the 1980s need not be curbed even by the current disappointing dependence on musical revivals. They seem to be a way to get through hard times when expensive tickets to unfamiliar or experimental plays will just not sell. The uniformly high quality of productions promises at least to maintain the integrity of the original works where they are not in fact enhanced.

If Broadway has found itself a way to wait for better times, it *need now worry only about* Broadway as a large underdeveloped parcel of real estate. The two most recently built Broadway theatres, the Minskoff and Uris, are huge, requiring smash hits to support them*selves. A projected hotel con*struction threatens the destruction of two other Broadway houses, and that may well be the start of a whole redevelopment effort that, in promising the reconstruction of destroyed *theatres, will replace graceful* birds with imposing cranes. To assume theatre owners would not allow basely motivated transfigurations is naive: they already take fewer risks than they used to by bringing plays from off-Broadway instead of from their own out-of-town tryouts. If the next step is to accept their art houses as so much real estate to insure their futures, *Broadway* will end the coming decade quite differently from how it began.

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A market test for Inmos

INMOS, THE Anglo-American semi-conductor company which is financed by the National Enterprise Board, yesterday announced that its first UK production unit would be based at Bristol. The plant will be sited alongside the company's already-established design centre and will be concerned with the volume manufacture of micro-computer products; production is due to start in 1982.

The timing of the announcement is rather odd, since construction of the UK plant is dependent on a decision by the Government to provide Inmos with a second tranche of £25m of taxpayers' funds; the first £25m was provided by the Labour Government in mid-1978. The managers of Inmos presumably felt able to announce the choice of location because they are confident that the additional £25m will be forthcoming very soon. Yet it is not surprising that the Government is taking some time to reach a decision: the future of Inmos presents Sir Keith Joseph, Secretary for Industry, with a more difficult set of political and technical issues than, for example, the funding of BL.

Pervasive

Inmos is the creation of a group of scientists and engineers who believe they can make a viable business out of mass-producing integrated circuits and related products—the famous "micro-chips" whose pervasive impact on the electronics industry is now well-known. The NEB under its previous management decided to support Inmos because it thought that the UK needed an indigenous source of mass-produced integrated circuits; dependence on imports from the U.S. or elsewhere would, it was felt, have a damaging effect on the manufacturers of the products and systems in which integrated circuits play a key role. It was also argued that the UK, unlike the U.S., did not have adequate sources of venture capital which could finance high-risk, high-technology projects of the Inmos type; there was an "equity gap" which the NEB was created to fill.

These arguments began to seem less strong when other companies, particularly GEC in association with Fairchild of the U.S., decided to undertake the mass-production of integrated circuits in the UK. Several projects have also been launched by U.S.-owned companies. It is difficult to claim that the continuation of Inmos is a vital national interest comparable, say, to the preservation of Rolls-Royce in the world league of aero-engine builders. It is an entrepreneurial venture which, if successful, could bring useful benefits to the UK economy, but it can and must be judged on its commercial merits. If the Government is to go on supporting it, Sir Keith Joseph will have to convince himself that this is a temporary bridging operation made necessary by the deficiencies of the UK capital market and that the ownership and financing of Inmos can ultimately be transferred to the private sector.

There are, however, several difficulties about this. It is hard to think of an industry less suitable for public-sector involvement and ownership than integrated circuits. It is a fast-moving and unpredictable technology, with a high failure rate among new companies. The American venture capitalist can decide to support a budding entrepreneur on his own hunch. He is answerable to no one but himself. Equally, he can cut his losses quickly if the project turns sour. The NEB is answerable to the Government and the taxpayer.

Withdrawal

Furthermore it is far from certain there is an "equity gap" in the sense in which proponents of the NEB have claimed. Institutional investors in the UK are prepared to provide venture capital if they believe that the proposition is sound. What they quite reasonably shy away from are Concorde-type projects which involve ever-increasing amounts of capital and ever-diminishing prospects of a commercial return.

So while it would be wrong for Sir Keith Joseph to withdraw support for Inmos on ideological grounds, it is urgently necessary that its operations should be subjected to some form of market test. The best way would be for private sector institutions to participate in the next stage of funding, as the first step towards the withdrawal of Inmos from the public sector.

Gaullists rock the boat

PRESIDENT Giscard d'Estaing has suffered a number of embarrassments in recent weeks. His Minister of Labour M. Robert Boulin, committed suicide in circumstances that threatened to provoke a major political scandal and enormous publicity has been given to the President's alleged receipt of valuable diamonds from the disgraced ex-Central African Emperor Bokassa. More recently, M. Giscard d'Estaing's Government has been obliged to resort to what looks close to juggling with the constitution to get its budget adopted by the National Assembly. This week, the President had no alternative but to recall the Parliament in the depths of the Christmas recess to try to legalise the budget's adoption after an adverse ruling by the country's Constitutional Council.

Confidence

The Council's ruling was on a technicality. It did not challenge the Government's right to invoke the relevant article of the Constitution, under which it is entitled to force through legislation by making it a matter of confidence. Under a provision that was frequently used by General de Gaulle, bills treated in this way are considered adopted unless the Government is actually voted down by a motion of censure.

Nevertheless, it can hardly be claimed that this is a satisfactory way to run a Western democracy. The French Government has now, on average, challenged the opposition (and many of its own official supporters) to a vote of confidence once a week for the past half dozen weeks. If it has survived, it is because the Gaullists, still the biggest single party in the National Assembly, have stopped short of bringing it down and causing early elections. Paradoxically, it is the Gaullists who have provoked the crisis they have failed to see through to the end.

The Gaullists are in a cleft stick. They dislike the Centrist Government of President Giscard d'Estaing, which they officially support as coalition partners. They are trying to make it quite clear to the electorate that they have a separate identity and do not automatically go along with the Giscardiens. M. Jacques Chirac, the Gaullist leader, wants to be in with a chance in the 1981 Presidential elections, and has concluded that the best way of staking out his position is to undermine M. Giscard d'Estaing's authority. But there are two reasons why they do not actually want to bring the present Government down. The first is that to do so they would have to vote alongside the Socialists and Communists in a motion of censure, possibly acquiring a leftist tinge that they do not want. The second is that they are not very well placed to fight an immediate Parliamentary election.

The fact of the matter is that, despite his recent misfortunes, M. Giscard d'Estaing has been standing up rather well in the opinion polls. M. Chirac's sniping has not had the desired effect of establishing him as a credible alternative for 1981. Indeed, he has had to be restrained by his own party, which feels that as often as not he has done it more harm than good. If he is pulling the strings behind the scenes in the latest series of Parliamentary incidents, he has been keeping fairly quiet publicly. The popularity not only of M. Giscard d'Estaing, but also of his Prime Minister, M. Raymond Barre, has been rising.

It may be that M. Giscard d'Estaing will finally conclude that M. Barre will have to go some time in the spring in order to allow a new Prime Minister to run himself in before the Presidential elections. Certainly, the President will not want to persist in invoking the Constitution every time some routine piece of Parliamentary business needs to be done.

Best bet

Despite his problems, M. Giscard d'Estaing still looks the best bet for the 1981 Presidential race. M. Chirac's tactics have so far failed, while the Left is in disarray. There seems little or no likelihood that the Socialists and Communists will find themselves able to field a common candidate for the Presidency, and the Socialists are still divided over their own nomination — the veteran Francois Mitterand or the more social democratic Michel Rocard. M. Giscard d'Estaing may be going through a difficult patch, but it is not yet a disaster.

Soviet nuclear energy plans unshaken by safety debate

BY DAVID SATTER IN MOSCOW

NUCLEAR ENERGY may be a controversial issue in the West but in the Soviet Union, where the economy is centrally planned and no anti-nuclear protestors bedevil the authorities, energy planners are expressing few doubts.

The situation has changed, however, with the appearance of an article by Nikolaj Dollezhal, the leading Soviet expert on nuclear energy and Dr. Yuri Koryakin, an economist, in the September issue of Kommunist, the Communist Party theoretical journal. For the first time in the Soviet press, the article paid explicit attention to the fact that nuclear power carried with it appreciable risks.

This note of anxiety comes at a time when the Soviets have not only prepared for a massive conversion to nuclear energy by the end of the century but have decided to locate reactors in or near population centres and to base long-range planning on fast breeder reactors. This type is also under development in the UK and France.

The economic logic has been persuasive enough to override other faint warnings about reactor safety from within the Soviet Union and the discussion abroad about Soviet nuclear accidents, including a disaster in the Urals at a military complex which caused severe contamination and apparently hundreds of deaths.

The Soviet Union has 10 nuclear power plants operating in the European part of the country and the intention is for generating capacity to grow from 10,000 MW now to more than 110,000 MW in 1990. By the year 2000, 20 per cent of Soviet energy needs and all the electricity needs of European Russia are to be met by nuclear power. It plans to use two types of reactor: a pressure-tube system unique to the USSR, and a pressurised water reactor (PWR) similar to those used in the West.

In the past, the Soviets have had trouble achieving their nuclear energy targets. Their first goal, set in 1971, was to install 30,000 MW of nuclear generating capacity in 10 years. This target was revised downward some years later to 18,500 MW by the end of 1980, but even this lower target will not be met.

What may make a difference now, however, is the progress towards completion of "Atommash," the vast nuclear power engineering complex being built near Volgodonsk in southern Russia, and the careful co-ordination of Soviet export and energy strategy to accommodate a dramatic increase in nuclear power.

The Soviet Union has always been a leader in nuclear energy but the development of "Atommash" will put Soviet atomic engineering on an entirely new footing. The first Soviet nuclear power plant was opened in 1954 at Obninsk and had a capacity of 5 MW. Since then, the Izhorsk works, south of Leningrad, has produced 440 MW pressurised water reactors and multichannel 1,000 MW units. At Atommash, however, the intention is to produce 1,000 MW PWR's on an assembly line basis, as is being done in West Germany, France and the U.S.

NUCLEAR POWER STATIONS IN THE USSR

In operation	No. of Units	Type	Unit Capacity MWe	Commissioned
Obninsk	1	PTR	5	1954
Troitsk	6	PTR	100	1958-1962
Beloyarsk 1	1	PTR	100	1964
Beloyarsk 2	1	PTR	200	1967
Leningrad	2	PTR	1000	1973, 1975
Billbinsk	4	PTR	12	1973-1976
Chernobyl	1	PTR	1000	1977
Kursk	1	PTR	1000	1976
Novovoronezh 1	1	PWR	210	1964
Novovoronezh 2	1	PWR	365	1969
Novovoronezh 3, 4	2	PWR	440	1971, 1972
Novovoronezh 5	1	PWR	1000	1978
Kola	2	PWR	440	1973, 1974
Armenia	1	PWR	405	1976
Ulyanovsk (BOR 60)	1	FR	12	1962
Shevchenko (BN350)	1	FR	*120	1973
Under construction				
Leningrad	2	PTR	1000	
Kursk	2	PTR	1000	
Chernobyl	1	PTR	1000	
Smolensk	1	PTR	1000	
Ignalino	2	PTR	1500	
Kola	2	PWR	440	
Armenia	1	PWR	405	
Kalinin	1	PWR	1000	
South Ukraine	1	PWR	1000	
Rovno	2	PWR	440	
Beloyarsk (BN 600)	1	FR	600	
Planned				
Kursk	1	PTR	1000	
Chernobyl	2	PTR	1000	
Smolensk	1	PTR	1000	
Kalinin	3	PWR	1000	
South Ukraine	3	PWR	1000	
West Ukraine	4	PWR	1000	

* This reactor also produces 50,000 m^3 distilled water per day.

Notes:
1 There is a small, experimental boiling water reactor of 50 MWe at Ulyanovsk.
2 There is an experimental fast reactor of 5 MWe at Obninsk.
3 Total MWe in operation is: 8,825 MWe
Total MWe under construction is: 13,765 MWe
Total MWe planned is: 14,000 MWe
Total: 36,590 MWe.
4 PTR refers to pressure tube reactors of the RBMK type.
PWR refers to pressurised water reactors of the VVER type.

Source: Atom

At the same time, plans are advanced for the rationalisation of atomic reactor manufacturing within Comecon. The last 440 MW reactors are being finished at Izhorsk and in the future, the smaller, Soviet-designed reactor is to be manufactured in Czechoslovakia. There is a co-operation programme envisaged for Comecon which involves all the East European member countries except Romania but the heavy work—pressure vessels and assembly of the reactor core—is to be done only in the Soviet Union and Czechoslovakia.

There have been delays at Atommash and the project is now two years behind schedule. But the first 1,000 MW reactor is expected to be finished by 1982, when the works should be able to produce three reactors a year.

In anticipation of the energy benefits that the expansion of nuclear power will bring, the Soviets have pledged to increase crude oil deliveries to Comecon by 20 per cent in the next Five-Year Plan, despite the likelihood that Soviet oil production in the 1980s will start to decline. They have also drawn up a co-operation plan for development of nuclear energy with the East European countries of Comecon, which will be important to the energy planning of the individual East European states.

The great extent of the Soviet commitment to nuclear energy was part of the reason why the Soviet press and Soviet officials regularly stressed the advantages of nuclear power, paying virtually no attention to its dangers. But the appearance of the article by Nikolai Dollezhal and Dr. Koryakin in "Kommunist" has challenged this thinking.

The two authors said that nuclear energy was essential to the Soviet Union's economic future, but they also raised the problem of nuclear waste disposal and warned that "safe, economic and time-tested technologies" do not exist for "all products of the fuel cycle."

The article made an argument for restricting nuclear energy development. It said that the planned siting of 50 to 70 nuclear power stations in densely-populated European Russia could lead to "ecological exhaustion" and the use of too much agricultural land and water. The authors argued that reactors should be clustered in vast, self-contained complexes away from populated areas, in "nuclear parks," as they are known in the West.

The "Kommunist" article was widely cited and discussed on Moscow Radio but it was not until last month that it was implicitly criticised by Mr. Vladimir Kirillin, the head of the State Committee for science and technology, who, dwelling on the issue of the environment rather than nuclear safety, argued that nuclear power stations were "several thousand times cleaner" to operate than conventionally fuelled plants. Mr. Anatoly Alexandrov, the President of the Soviet Academy of Sciences, at a Press conference on December 18, told correspondents that nuclear power is a safer way to generate electricity than oil or coal, and said, "there are no insoluble problems in atomic energy."

Neither the "Kommunist" article nor Mr. Kirillin's reply went so far as to raise the issue of nuclear safety explicitly but this was probably because, as a matter of policy, the Soviet authorities do not want to arouse public fears over an issue in which the public has no say. The discussion about environmental consequences in the Soviet Press should probably, therefore, be taken as a coded version of the debate about nuclear safety going on among Soviet officials.

When worry in the West about the dangers of nuclear waste disposal was mentioned at a recent British-Soviet energy seminar, the Soviet participants were said to have replied, with uncharacteristic lack of confidence, "doesn't it worry us all?"

Indeed, the Soviet energy planners have cause for concern. They are proceeding rapidly in an area which is not fully mastered, and seem prepared to expose urban populations to greater risks than would their counterparts in the West.

The Leningrad atomic power station, of the pressure-tube type which, with a generating capacity of 3,000 MW (soon to be increased to 4,000 MW), is the largest nuclear installation in Europe, and is only 45 miles from the centre of Leningrad in the town of Sosnovy Bor. Voronezh, the centre of the Soviet aviation industry, draws most of its power from five reactors operating at nearby Novovoronezh.

There are reactors near major urban centres throughout the European part of the Soviet Union, including Kursk and Smolensk, in the Russian Republic; those at Chernobyl, near Kiev, in the Ukraine; at Beloyarsk in the Urals, and in the Komi peninsula near Murmansk. Plans call for expansion of existing facilities to create stations with generating capacities between 4,000 and 5,000 MW and to construct a string of nuclear power stations in the populous western border regions to generate electricity for the East European members of Comecon.

The reason for the concentration near major cities in the European regions is that although these densely-populated areas presently consume 75 per cent of the electricity in the Soviet Union, they are running low on oil and coal, the principal means of generating it.

The bulk of Soviet oil now comes from western Siberia, where exploitation and transport costs are enormous; almost all the increase in coal production in 1976-80 came from equally inaccessible areas of Siberia and the Far East. By creating vast energy complexes in close proximity to major cities, the Soviets will not only save oil but greatly reduce transport costs as well.

There are similar economic reasons for the plans to locate smaller nuclear reactors in the very centre of Soviet cities, which unlike those in the West, are often heated by central fossil fuel-burning electric power plants which generate electricity and pump waste steam to apartments, shops and offices. Moscow and Leningrad are heated by these "co-generation" plants, which provide 60 per cent of the country's residential heating.

Fast-breeder development

The aggressiveness of Soviet nuclear energy development shows in the attitude toward fast-breeder reactors. The first Soviet breeder reactor, at Shevchenko on the shore of the Caspian Sea, with a capacity of 120 MW went into operation in 1973 and the Soviets expect to complete a second fast-breeder reactor at Beloyarsk with a capacity of 600 MW, which should be finished by the end of 1980.

They envisage breeder reactors being widespread in the 1990s because they produce more plutonium than they consume and thus could solve the problem of dwindling uranium supplies. An accident at the Shevchenko reactor in 1974, in which a flash fire resulting from a leak allowed by faulty welding caused a partial closedown of the reactor, was a reminder, however, that breeder reactors are new and still relatively untested.

Little can be said with certainty about the stringency of Soviet safety in light of their ambitious plans to develop nuclear power. Almost all Soviet reactors have been built without concrete containment shells to isolate radioactivity in the event of an accident. Workers do not wear badges to measure exposure to radiation and visiting American journalists were recently surprised to be escorted to the top of a small reactor at Moscow's Kurchatov Institute of Atomic Energy where they were taken to within 15 ft of the reactor's burning uranium fuel.

Such details as these may be indicative of an attitude, but they are not as worrying as actual experiences with malfunctioning Soviet reactors in Finland and Czechoslovakia and the memory of a nuclear disaster in the Soviet Union more than 20 years ago.

The Finnish incident was relatively minor: The operation of the second of two 440 MW Soviet reactors at Lovisa (both of which were fitted with containment shells purchased by the Finns in the West) has been delayed because cracks developed in a stainless steel coating for the pressure vessel. A closer examination of the reactor showed that, under extreme circumstances, small radioactive leaks might not trigger the emergency cooling system.

In Czechoslovakia, one of two Soviet-designed reactors at Jaslovke Bohunice, north of Bratislava, has suffered two major accidents, both of which released radioactivity into the atmosphere. According to the Charter 77 human rights group, the first occurred in January 1977, when the obstruction of a valve controlling the flow of carbon dioxide coolant caused pressure to build up and hot radioactive gas flowed into working spaces and escaped into the atmosphere.

Two workers were suffocated in the incident.

The second accident, a month later, occurred when a new uranium fuel element was loaded improperly. As the reactor was shut down, contaminated steam escaped into the atmosphere. Nothing is known about the extent of the contamination in either case.

In many respects, Soviet nuclear safety regulations, particularly as regards the operating of reactors, are as tough as those in the West. But the experiences in Czechoslovakia and Finland suggest that the problem may lie not with insufficient regulations but with their non-observance.

It may have been simple lack of care in the storage of nuclear waste that led to the 1958 explosion near Chelyabinsk in the Urals in which hundreds apparently died. The area was so massively contaminated after the disaster that, according to a former Soviet professor now living in Israel, there were "no villages, no towns, only the chimneys of destroyed houses, or pastures, no herds, no people—nothing."

Having gone so far toward adopting nuclear energy, the Soviets are unlikely to turn back now. But with the recent and medium-term past in mind it is at least reassuring that the article by Academic Dollezhal and Dr. Koryakin in "Kommunist" points clearly to the fact that the long-overdue internal debate about the risks of nuclear energy is under way at last.

MEN AND MATTERS

Keeping a critical eye on round two

One of the more acerbic observers of the Rhodesia elections will be director of the Joseph Rowntree Social Services Trust, life peer Lord Chitnis, who did so much to discredit the validity of the first round of elections in April. After a fortnight's tour of the country as a member of the inter-party Parliamentary group of observers, he stigmatised the elections as "a gigantic confidence trick" and talked of "cowed and indoctrinated" voters.

The trust has given Chitnis leave of absence if he wants it, but he insists he is not going in any kind of official capacity, nor will he involve himself "very directly" with the campaign of any particular party. Rumours to the contrary, he tells me the trust — which gives away £350,000 a year to political and other non-charitable causes—has extended no financial support to the Patriotic Front. Nor, he says, has any application been received.

Any touchiness he displays on this subject might be explained by the uproar which followed the trust's grant of £30,000 to guerrillas in Mozambique in 1971, soon after he became director of the trust. One consequence was that he was sent a letter bomb—"a very primitive one," he says airily.

"Actually the £5 mink goes to the first person to make an offer for the store."

Off the map

Macro-economists who have been pondering the prospects for the "Unknown Country" listed in the latest data base dictionary of the International Monetary Fund can now return to less hypothetical affairs. The country does not exist, despite the IMF's careful tracking of its unknown currency and unknown economy.

After I had drawn attention to this seeming newcomer to the world community, there was a wary silence from IMF headquarters in Washington. Now I have had a letter from Walter Dannemann, director of the Fund's bureau of statistics. He says: "The '758 unknown country' appears to be a noise record on the tape file and has been corrected so that it should no longer appear."

One may hope that the Pentagon's computers do not also suffer from this electronic malaise.

Miracle of science

In an age of energy saving Jérôme Frechou, a 32-year-old Frenchman, certainly deserves the distinction bestowed upon him at the recent International Inventions Show in Geneva. Frechou, was awarded the Franco-Swiss Trade and Industry medal for designing a device for shelling hard-boiled eggs.

Lest anyone is tempted to belittle this scientific advance, it must be pointed out that several million hard boiled eggs are shelled by hand every day in restaurants and canteens all over the world. The French invention uses hydraulic energy to separate the egg from its shell. Over 2,000 eggs an hour can be shelled by this method.

Frechou says: "With mass eating becoming the lot of more and more of us this invention certainly has a future." The German market looks particularly promising for the egg-sheller as the average German eats an annual 37 lbs of eggs—roughly 400—the world's record. Then come the Americans, Japanese, Austrians and French. But the French are probably the biggest consumers of eggs in their hard-boiled from. Hard boiled eggs grace the counters in most French cafes and are a popular lunchtime snack. Last year the French downed 20bn eggs, many of them hard boiled.

Troubled waters

While a company in New York has taken the opportunity to start mass-producing an Ayatollah Khomeini dartboard, Britain's own Transworld Publishers are busy mining the rich seams of the paranoia market opened up by the Iranian revolution.

The Prophecies of Nostrodamus have just been reprinted in a handy, easy-reference pocket edition and firm claims have been made for the 16th century necromancer, whose visions in a bowl of water are alleged to have included the Great Fire of London, both world wars, air travel, and the assassinations of John and Robert Kennedy.

Witchcraft being regarded as not quite the thing in the 16th century, Nostradamus—it is said—deliberately confused the time sequence of his prophecies and also wrote in a style whose impenetrability European Commission staff might envy. This makes it possible to extract almost any meaning from the prophecies. Hitler, for instance, conveniently saw his own victory foretold; to be on the safe side he also had forgeries dropped from aeroplanes over France. The Allies responded by dropping their own—a practice discontinued as late as 1943.

But, as Nostradamus' latest publishers say, "Rain, famine and war will not cease in Persia: too great a faith will betray the monarch" does sound like a fairly clear indication of something rum in the state of Iran. The quatrain continues, more obscurely, "Those actions started in France will end there, a secret sign for one to be sparing."

On the other hand, how about "The king enters Foix wearing a blue turban, he will reign for less than a revolution of Saturn. The king with the white turban, his heart banished to Byzantium, Sun, Mars and Mercury near Aquarius"? An ungrammatical prediction of a hat-wearing Tory inflicting injury on a man last seen at Heathrow Airport?

No, according to Transworld's translators and interpreter this means the Russians will ally with America against Iran and the Muslim Empire. "This dates World War III as beginning on February 18, 1981," the publishers add confidently. Perhaps I should finally act on that advertisement for Co-op life insurance so thoughtfully placed between the pages of the edition of Nostradamus I bought a few years ago.

Proof of pudding

An American surgeon lecturing medical students in Bristol just before Christmas was asked if he considered the operation he was describing was a valuable one.

"Valuable?", demanded the surgeon, a little taken aback. "I raised five kids on it."

Observer

Getting the third airport off the ground

By MICHAEL DONNE, Aerospace Correspondent

EARLY IN the New Year, the British Airports Authority plans to start extensive talks with Government departments, local authorities, airlines, and other organisations including British Rail, to discuss in detail the Government's plan, announced before Christmas, to make Stansted in Essex the prospective third major airport for London.

The Government has taken a *broad policy decision, abandoning* any idea of developing a "green field" site, either inland or on the coast, and reverting instead to the original option of Stansted, first mooted as far back as 1964, and again in 1967, but eventually abandoned in 1971 in favour of Maplin. Thus, for the third time in 20 years, Stansted is the designated Government choice as the third major airport for London.

But it is one thing for any Government to take a policy *decision and quite another to* implement it. Decisions by any particular Government over the issue of London's third airport have had the habit of being overturned by its successors. As a result, Stansted, and those living nearby, have been subjected to what many believe to be intolerable uncertainty over the future of their homes, and in the case of farmers in that *area, even their livelihoods.* The British Airports Authority, as the Government's designated owner and operator of State airports, which include Stansted as well as Heathrow and Gatwick, has been saddled with the task of making the latest Government policy decision work.

Whether that decision survives any longer than previous decisions by other Governments remains to be seen. The objectors will try to see that it does not, but many others, including *the Authority, the air transport* industry, much of Whitehall and many people who live in the area who want to see the airport *grow as a source of employment* and prosperity, will try to see that the plan does proceed.

The development of Stansted is expected to be conducted in stages, each of which is likely to involve major public planning inquiries, so that Stansted is unlikely *ever to become a* major airport without running the gauntlet of environmental and other objections.

The first stage of the proposed development is likely to be relatively easy. The Airports Authority may decide, perhaps by the provision of temporary accommodation, to expand the existing use of the airport from 300,000 passengers a year to, say, 1m or more, which it is probably able to do without seeking additional planning *permission.*

Secondly, and much more complicated, the authority will have to draw up a detailed "*statement of case*" for the further development of Stansted to 15m passengers a year by the early 1990s, involving the *acquisition of another 1,500* acres of land and the construction of a massive new terminal on the southern side of the *existing runway.* It must be sited to fit eventually into the much larger complex of four terminals that will be needed if *the airport expands to 25m and* then to 50m passengers a year.

This statement of case will have to be prepared in meticulous *detail*, for submission to the relevant local authorities as part of the Airports Authority's application for planning permission for the first new main terminal, probably in the autumn of 1980. This application is then certain to be "called in" by the Department of the Environment and the Government's promised public inquiry instituted, probably starting in the spring of 1981, and lasting through most of that year. It is at that inquiry that the real "battle of Stansted" will be fought all over again, and already the environmental groups around the airport have given notice that it will be a tough and even bloody fight.

After several months of deliberation, probably by early 1982, the Government will have to decide whether to accept or reject the report of the Inspector at the public inquiry. It seems inconceivable that the Government which has now decided in favour of developing *Stansted could turn round in* 1982 and pronounce against it, unless there had been in the meantime a dramatic downturn *in the country's economic* fortunes and a slump in the air transport industry, severely reducing demand for air travel and any need for new airport facilities.

But there have been so many reversals of airports policy in the past twenty years or so that it would be foolish to predict *the outcome of either the public* inquiry or the response to it of the Government. It is enough to suggest that the Airports Authority is alert to the possibilities, and will make its "statement of case" the strongest that has yet been presented for any new airport development anywhere in this country.

But the statement of case will also have to go further than just seeking to develop Stansted to 15m passengers a year. *It will probably also have* to argue, at least to some extent, in favour of the Government's own long-term option to extend the airport further to 25m passengers a year with a second runway, and then perhaps further to 50m passengers a year—although no one in the Airports Authority expects the latter to be necessary until well into the 1990s.

But the Authority, for example, will at least have to outline its plans to acquire the additional 2,500 acres of land that the Government believes to be necessary to "safeguard" this longer term development option—that is, to ensure that the land is not sold in the interim for other purposes, such as housing or even light industry, that would pre-empt any further expansion of Stansted in the 1990s.

At the same time, no matter whether the airport eventually handles 15m or 50m passengers, certain basic requirements must be met. These include long-term road access improvements, with the possibility of a spur into the airport off the M11 motorway, and perhaps a rail link with the existing London-Cambridge railway line.

The Authority will also have to consider such matters as electricity and water supplies, sewage disposal, the demolition of some houses, the diversion *of some streams, the possible* extension of the existing runway beyond 3,000 metres, the *removal of the existing cargo-area south of the runway to a* new permanent site (its present location is roughly where the first major passenger *terminal will be), the provision of* maintenance bases, and other facilities—all of which will be needed whether the airport *handles 15m or 50m passengers* a year.

The size of the planning task is thus immense—and it must all be done before the public inquiry begins, for it is certain that these are details that environmental objectors will press for strongly. This planning burden, coming at the same time as the Authority is engaged in the development of the newly-approved fourth passenger terminal for Heathrow, and in the public inquiry into the proposed second terminal at Gatwick (*which starts in the* New Year) will tax the Authority's resources severely.

It will also tax it financially. The Authority *expects to have* to invest at least £100m a year in these new developments through to the mid-1980s, and *it is clear that this money will* have to be found largely from its internal resources — which means that it will pass the burden on to *airlines* and to passengers through higher landing fees and other charges. Just how these higher charges will affect air fares in the UK and elsewhere is not yet known. But there is now a strong belief in Government, which is reflected in the hardening attitudes of both the British Airports Authority and the Civil Aviation Authority (the licensing, airworthiness and air traffic control body for aviation in Britain) that the days of subsidy by taxpayers for civil *aviation are over, and that* passengers must now pay for the services of all kinds that they expect, even if this means dearer *fares* and fees.

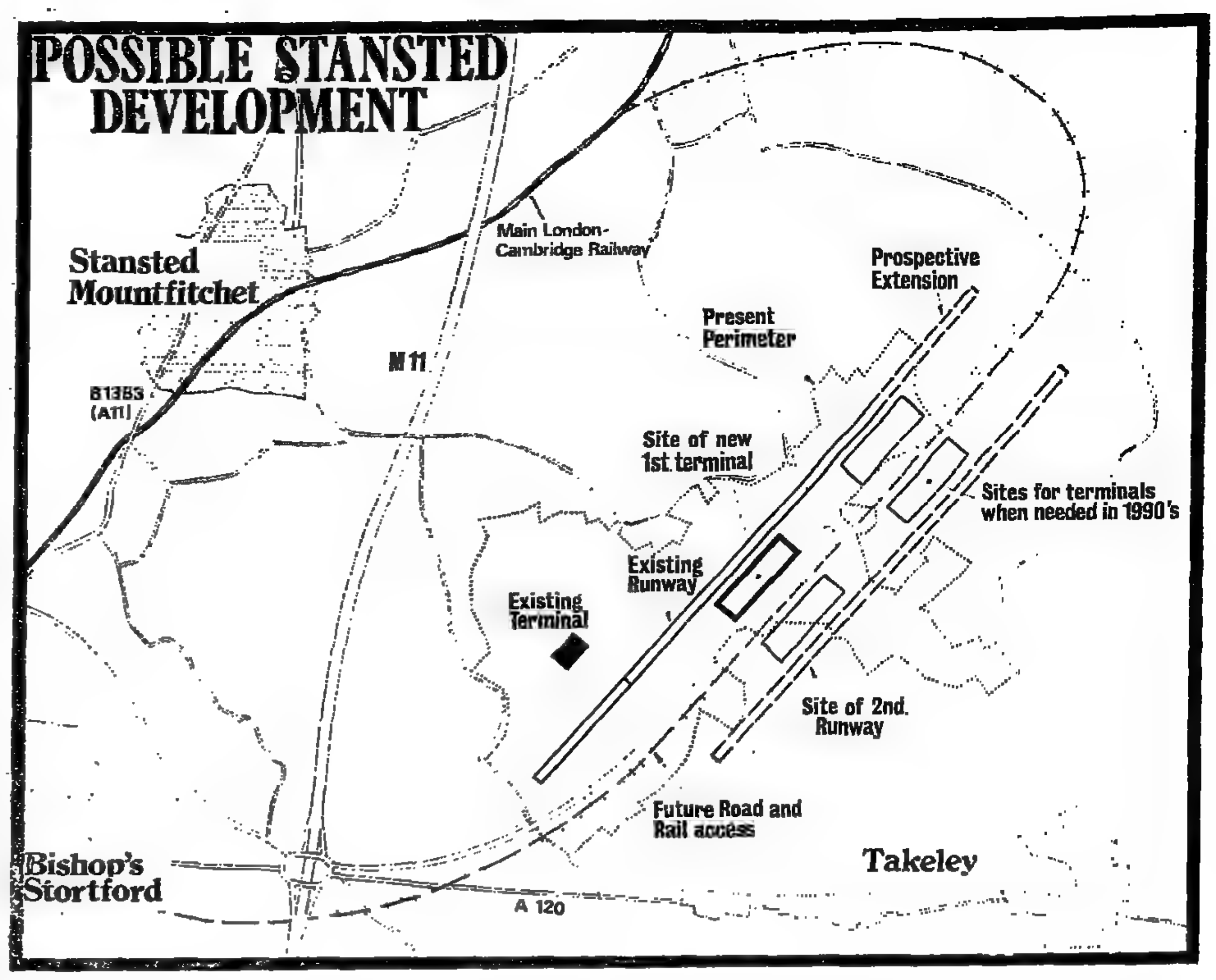
The size of the task confronting the Airport Authority at *Stansted explains why so many* of the area's residents object. They believe that the Government's plan to lift Stansted to *15m passengers a year is really* another way of saying that the airport is inevitably designated as the third major airport for London once again — that Stansted is the "expansion chamber" that will be used in the 1990's when Heathrow, even with its fourth terminal, is at its ceiling of 38m passengers a year, and Gatwick, with its second terminal, is at its own peak of 25m, while Luton will be hovering between 3m and 5m.

Many local residents do not like this. The Stansted area is by any standards a pleasantly rural one, still comparatively peaceful although the airfield has been there for the best part of 40 years. Some of the protesters moved into the area well *after the airfield was built.* Some of them own land that the Airports Authority will seek to acquire, and they will be *worried about the price they* will get. Others will be worried about the inevitable change in the area's character that will follow the expansion of the airport, as has happened around Gatwick, south of London.

In addition to the land needed directly for the airport itself more will need to be taken for houses, roads, schools, hospitals and all the amenities that must go with a community of perhaps 250,000, from which the airport will draw the several thousand workers it will need.

But against the voices of the protesters must also be set those of many others who welcome the development of the airport *because of the benefits* it will bring in terms of more jobs at better pay, together with the improved business that it will *generate throughout the area.* The environmentalists may be more articulate and more skilled in making their protests. But the *others have an equally strong* case, which must also be carefully weighed in the balance when the public inquiry is held.

POSSIBLE STANSTED DEVELOPMENT



THE STANSTED SAGA

1942–43	Stansted built as U.S.A.F. operational bomber base and maintenance base.
1946	U.S.A.F. withdraws and first civil operator (London Aero Motor Services) moves in.
1948	Minister of Civil Aviation approves Stansted as charter airport, and civil diversionary airport for London area.
1949	Stansted transferred from Air Ministry to Ministry of Civil Aviation.
1953	White Paper proposes Gatwick as main alternative to Heathrow with Stansted in reserve.
1954–56	U.S.A.F. moves back to use Stansted as trooping base; runway lengthened to 10,000 feet (over 3,000 metres).
1961	Inter-departmental committee set up to consider airports policy for London and South East.
1964	Committee selects Stansted out of 18 sites and this is approved by Government.
1965	Public inquiry into local objections to Stansted.
1967	Inspector rejects Stansted.
1967	White Paper on Third London Airport reaffirms Stansted as a four-runway airport.
1968	*Government appoints Roskill Commission on Third Airport.*
1971	Roskill recommends Cublington (Vale of Aylesbury) but Government rejects this in favour of Maplin.
1971–74	Initial work on Maplin plan, with Maplin *Development* Authority set up.
1974	Labour Government cancels Maplin on cost grounds in wake of oil and economic crisis.
1978	White Paper on Airports Policy suggests new study of options, including Stansted and Maplin.
1978	South East Airports Study Group and Advisory Committee on Airports Policy both set up.
1978	Study Group suggests six short-listed sites, including Maplin and Stansted, for *further study.*
1979	*After studying reports from both bodies, Government readopts* Stansted as third airport.
1980	Public inquiry into Stansted plan is expected to be held.

Letters to the Editor

The technology game

From the Managing Director, GEC

Sir,—On December 11 you published an article by Christopher Lorenz under the title "Why the City must learn the rules of the 'technology game'" which contains some irrelevant and inaccurate comment about GEC in purported illustration of his thesis that no-one in the City understands anything about the relationship between the strength of a company and technology. There are apparently some exceptions to this rule, of which, of course, Mr. Lorenz is one.

Mr. Lorenz's proposition is that product innovation is intrinsically good. The simple truth is that good innovation is good and bad innovation is bad, and in certain cases can be ruinous to the company which engages in the "technology game."

One may ask does Concorde, does the fate of Rolls-Royce, support his argument? It is crucial in innovation to distinguish between the "good" new products which will be wanted at remunerative prices, and the "bad" ones which will not; that means knowing the market and having the financial and technological strength to make the necessary changes to meet its needs.

It does not mean wasting money on inventing products which meet no need, or are uneconomic in resource consumption, or are simply uncompetitive with similar products already available.

Where exactly GEC fits into Mr. Lorenz's argument is by no means clear. He says: "GEC's proven ability to develop successful new products is extremely patchy, varying markedly from one division to another." It does indeed vary markedly from one division to another and it would be most surprising if it did not, since GEC's business varies markedly from one division to another. Anyway, what generic yardstick does Mr. Lorenz have for measuring the relative patchiness of product development?

Mr. Lorenz attacks the industrial logic of the Averys takeover, presumably as one of that "small group of expert observers" whom he considers are better able to judge what GEC can offer in the development of the Avery's business than GEC itself.

But how does this support the *idea that the City should concern* itself with technological judgments which lie outside its knowledge and experience?

Mr. Lorenz's article is in fact gratuitously offensive, ill-informed knocking copy, typical of that facile form of argument which dresses up bar-room gossip to look to the uninitiated like serious debate.

Arnold Weinstock.
The General Electric Company,
1, Stanhope Gate, W1.

● Nowhere in the article did Christopher Lorenz suggest that product innovation is intrinsically *good*; indeed, he warned against such a view. Nor did he attack the industrial logic of the Averys takeover—only the way *in which the public debate* on it in the City was conducted.

Readers of the original article and Sir Arnold's letter may form their own judgment on what description the article and the letter merit.—*Editor.*

Cutting money Growth

From the Director of Research, City University Centre for Banking and International Finance.

Sir,—Mr. Allan Clark, MP, is right to suggest that his party's recent attempts *to reduce* monetary growth have been unconvincing. He is dangerously wrong to suggest that its counter-inflationary *objectives imply* a lack of concern about the health of the real economy, and that a cure can be found in protectionism.

Material living standards should not suffer, even temporarily, as the rate of monetary expansion falls, so long as this deceleration is made known in advance to unions and businesses through the dissemination of credible monetary targets.

In the long run real living standards should if anything be raised by greater stability in the value of money. The present Government is not, then, *pursuing irrelevant* or unrealistic policies. Mr. Clark's misgivings over fluctuating interest rates and conflicting monetary indicators are valid criticisms not of the Government's monetarism but of its failure to reform the haphazard techniques by which it persists in trying to control monetary growth.

Even if inflation is successfully reduced, this will not solve the problem of slow productivity growth in the real economy. Nor will protectionism, whether packaged as "managed trade" or (as Mr. Clark quaintly puts it) "economic positivism."

In particular, his argument that protected industries will use their excess profits to create *new* investment and thereby become once more internationally competitive is belied by the history of almost all developing *countries which have nurtured* "infant industries."

The absence of competitive incentives has made such sectors bywords for inefficiency and technological backwardness. The visible failure of demand management policies to stimulate growth and employment in developed economies has led both Conservative and Labour Cabinets to embrace the more modest aims of monetarism.

It would be ironic if in the case of protectionism the lessons of history were overridden by the doctrine's nationalistic appeal, so that this conceit also found supporters, like Mr. Clark, on the Right as well as the extreme Left.

The only case for protection is the sympathy we feel for communities of workers who are suddenly thrown out of *work through the pressure of* foreign competition. If we ease such adjustment problems by temporary subsidies to their *industry or, preferably, to the* small local firms which are the most active employers of displaced labour, we must accept *that material living standards* for the country as a whole will be reduced.

R. A. Batchelor,
City University,
Northampton Square, EC1.

Petrified, not 'metrified'

From Mr. R. J. M. Farrell

Sir, — The media seem obsessed with Britain's ever accelerating *industrial* and economic decline. Blame is attributed frequently to union militancy, shortage of high quality engineers, excessive public expenditure and high taxation. Italy has just as much union militancy; France is just as short of design engineers as we are; West Germany spends a fortune on social welfare and Sweden is "oppressed" by high aggressive taxation.

None of these countries is bequeathed with significant natural energy supplies, and yet they all produce technically advanced industrial products in worldwide demand.

Britain is virtually self sufficient in energy—oil, coal and natural gas, and also benefits from political stability and relatively *low salaries and wages.* Yet incredibly Britain is sliding ever faster into industrial oblivion. British Steel has to cut itself in half because it can only sell 15m tonnes of steel out of a capacity of 30m tonnes *per annum.*

Why, because Britain makes only half the cars, machine tools, washing machines, trucks and tractors that it *could*. Italy, France, West Germany, Sweden, and for that matter, Switzerland, Denmark, Holland, Japan and most of the rest of the world are metric in thought, word and deed.

Metricated thinking, design, manufacture and marketing mean better designed, better made and better sold products. *What is Britain? It is not* metrified it is petrified, half metric and half Imperial. Eighteen million young people have been educated *metrically*, the rest of the population is completely indifferent or ignorant of metrication and its benefits.

What a crazy country in which central heating oil, paint, soft drinks and washing up liquid are sold in litres, while petrol, milk and draught beer are sold in pints or gallons.

Now that the present Government has abandoned plans for further metrication, I do *not* think we have many more years left as a major industrial nation.

R. J. M. Farrell.
Whitley Reed Cottage,
Sandy Lane,
Antrobus, Cheshire.

South Africans in Rhodesia

From Mr. Len Clarke

Sir,—British trade links with black Africa have already suffered considerably at times from our Government's scantily hidden preference for white minority rule in southern Africa, coupled with a basic insensitivity to black African rights and feelings, and even to simple justice. So your news item on December 19 concerning the continued presence of armed, foreign South African troops in the British territory of Rhodesia, without a word of protest being currently voiced either by Britain or Lord Soames at this illegal presence of a foreign army—with a racially unsavoury reputation—*on British-ruled soil, is alarming* indeed.

For only a few days ago it was the same Lord Soames—official *representative of the British* Government and Crown — who agreed to the instant arrest, trial, conviction and punishment of certain black civilian British subjects in Rhodesia for the "crime" of opening a political office a couple of days too early.

The message to black Africa is thus crystal clear. Our present British Government's attitudes, *both racial and poltical, in* southern Africa are that the most minor misdemeanours by black British subjects are to be met by instant arrest and punishment; but that an illegal invasion of British territory by the armed forces of a foreign, racist police state are, at least for the present, to be ignored.

Appalling as such a state of *affairs no doubt is, there does* seem however to be a precedent. For is there not a striking similarity here to Britain's abject surrender to a country with similar ideologies to South Africa, when that country in 1938-39 marched its troops into part of Czechoslovakia, and then took that small nation over, to the deafening silence of British appeasement? *And was that* not a factor in Czechoslovakia today being communist?

Len Clarke.
"Porthconan"
Middle Road,
Denham, Uxbridge.

Vectis Stone advances 25% to record £0.68m

AS ANTICIPATED at the interim stage, 1978-79 profits of **Vectis Stone Group** showed an increase over the previous year. Taxable surplus of the building products and services and fuel distribution group rose by 25 per cent from £539,000 to a record £676,000 for the year ended September 30, 1979, with £250,000 against £205,000 coming in the first half.

With stated yearly earnings per 10p share increased from an adjusted 3.07p to 4.06p, the net dividend total is effectively lifted by 75 per cent to 1.45p (equivalent 0.8285p).

Turnover from activities in the building and construction *industry went ahead from £2.66m* to £3.82m. Operating renumeration from fuel distribution, including a full 12-months contribution from Celtic Oil Supplies, increased from £0.7m to £1.22m, on invoiced sales of £15.03m (£11.47m).

Mr. J. A. K. Collins, chairman, *says that with the exception of* civil engineering which had a *difficult year, all sections of the* building and construction division performed well during the period.

In the fuel distribution division, the increased demand for heating oil throughout the severe winter contributed materially to an excellent result, he states.

With the proposed acquisition of Columbia Products helping further to diversify interests, Mr. Collins says the group is soundly based for a period of continued steady growth.

Tax for the year took £256,000 (£221,000) leaving net profits up 32 per cent to £420,000. Dividends absorb £150,000 (£86,000) and the retained *surplus* emerged at £270,000, compared *with £232,000.*

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Hampton Gold Min'g int.	1.5	Feb. 23	1.5	—	3.5
Vectis Stone	0.95	Feb. 26	0.48*	1.45	0.83*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Thermo-Skyships waits on final cheque to achieve target

THE SUCCESS or failure of an attempt to raise £3.2m for **Thermo-Skyships**, the Isle of Man aerospace company, hangs on the *receipt of a cheque which would* bring subscriptions above the *minimum £1.4m required for the* financing scheme to go ahead.

The subscription period has been extended until today from *the initial closing date of* December 7 and Mr. Richard Hargreaves, of stockbrokers John Siddal, said there is "just a hope" that the cheque will be received by today's 3 pm dead-*line.*

So far two institutions have *applied for shares under the offer* for sale, with the bulk of subscriptions coming from private investors and European Ferries—which had committed £½m before the scheme was launched.

This is the second attempt to raise funds from the public for *Thermo-Skyships, which is plan*ning to build an airship for com*mercial use. The first scheme,* launched in July, failed by a wide *margin* to raise the £6.4m required.

The company has warned that if this second attempt fails it could be obliged to move the whole project abroad.

London Life raises bonus but Natl. Mutual cuts

TWO MORE life companies have announced changes in their *terminal bonus rates applicable* to with profit contracts which *mature or vest or become death* claims on or after January 1, 1980.

The London Life Association is lifting its terminal bonus rate on the reversionary bonus system from 40 per cent to 42 per cent of attaching reversionary bonuses up to a maximum of 60 *per cent of the basic benefit* (previous maximum 58 per cent).

On simple bonus pension business, the special bonus annuity will be 30 per cent of the existing bonus annuities as against 29 per cent.

On the Reduction of Premium System, the bonus for the *8th-68th series* is 0.78 per cent of the sum assured for each complete year up to a maximum of 27 years against 0.75 per cent, while for other series it is 0.625 per cent (0.60) of the sum assured for each year in force.

London Life introduced terminal bonuses two years ago, *and it bases this rate on the* average of the capital performance of its investments over the previous two years, thus introducing an element of smoothing.

On this method, the average has risen since the previous review made in the middle of *1979, though capital values have* fallen over the final six months *of this year.* The annual reversionary bonus declaration will be made next March.

In contrast, **National Mutual Life Assurance Society** has cut its rate from 40 per cent to 30 per cent of attaching reversionary *to with-profit contracts which* capital values over the second half of this year. The company increased its bonus rate on July 1, 1979 and its intention appears to be to allow the bonus to reflect market movements and not to smooth out its effects.

The next reversionary bonus *declaration will be for the* two-year period ending December 31, 1980.

Seafield Gentex in profit

AFTER FOUR years of losses, Irish textile manufacturer *Seafield Gentex reports a turn*round to a pre-tax surplus of £45,243 *for the 12 months to* September 28, 1979, compared to a £48,872 deficit last time.

With sales virtually static at £13.1m (£13.01m), profits at the trading level increased from £432,796 to £650,718, including associates £82,245 (£46,653) and £149,275 in respect of the *Employment Maintenance* Scheme.

After a tax credit of £43,961 (£39,098) and an extraordinary credit of £114,952 (£575,776 debit) relating mainly to the sale of surplus property, the attributable surplus emerges at £204,156 (£585,550 loss). Earn*ings per 25p ordinary share are* shown as 2.08p (0.23p loss) be*fore the extraordinary items,* and 4.78p (13.7p loss) after.

SPAIN December 27	Price %	+ or −
Banco Bilbao	208	+2
Banco Central	224	+4
Banco Exterior	215	+3
Banco *Hispano*	216	+5
Banco Ind. Cat.	137	—
Banco Madrid	175	—
Banco Santander	250	+5
Banco Urquijo	195	—
Banco Vizcaya	218	+4
Banco Zaragoza	200	—
Dragados	100	—
Espanola Zinc	58	—
Fecsa	61	−2
Gal. Preciados	24.5	−1.5
Hidrola	63.5	−1.0
Iberduero	63.2	−0.3
Petroleos	112	+2
Petroliber	78	—
Sogefisa	115	—
Telefonica	57	−0.2
Union Elect.	68.5	−0.2

BIDS AND DEALS

Booker looking to expand food wholesaling business

BY REG VAUGHAN

Booker McConnell, the inter*national food, engineering and* trading group, is talking with International Stores, the UK food distribution subsidiary of BAT Industries, about buying **Kearley and Tonge**, International's food wholesaling business.

Kearley operates 60 cash and carry wholesale warehouses and has an annual turnover of over £150m. Last year Kearly acquired Alliance Wholesale Grocers which virtually doubled its activities, with particular emphasis on cash and carry *wholesaling.*

Booker's food distribution divi*sion,* which represents 61 per cent of group turnover, is now recovering after a setback in 1978-79. Last year's trading profits were down from £5.5m to £3.3m on a £370m turnover but in the first half of the current *year margins have improved. In* the six months to June trading profits have moved up from £1.44m to £2.36m, on a turnover of £184.3m (£158.1m). The division takes in both wholesale companies and the Budgen, Wavy Line *and Mace supermarket* chains.

A spokesman for BAT said yesterday that the group was concentrating on developing its retailing arm. Kearley, as a wholesaling operation, no longer fitted in. The group acquired Kearley along with International Stores in 1972. In May this year BAT bought the Argos discount stores for £35m and shortly afterwards paid £25m for the Mac Markets supermarket chain.

Talks between *the two groups* began about a fortnight ago but *yesterday neither party would* commit itself to a finishing date. *The market too remained un*moved and the shares were static.

BOARD MEETINGS

The following companies have notified dates of board meetings *to the Stock Exchange.* Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

FUTURE DATES

INTERIMS—	
Associated *Newspapers*	Jan. 11
Geller (A. and J.)	Jan. 17
Howden Group	Jan. 3
Rowbok	Jan. 18
Stock Conversion and Inv. Tst.	Jan. 16
Waddington (John)	Jan. 10
FINALS—	
Sett Bros	Jan. 14
Metal Closures	Mar. 19

Turismo has 50.2% of FAGS

The offer by **Turismo E Inmobiliaria Bio-Bio for Antofagasta (Chili) and Bolivia Railway Co.** has received acceptances in respect of *£206,676 of the* ordinary stock and £161,914 of *the preference.*

Turismo and parties acting in concert now control 50.2 per cent of FAGS. The offer, which has become unconditional, will remain open until January 10.

Highland strongly opposed to Hiram Walker offer

Highland Distilleries, the Scotch whisky group well known for the "Famous Grouse" brand, is planning its formal rejection of an £80m takeover bid by **Hiram Walker-Gooderham and** *Worts of Canada.*

A rejection document detailing the Highland Board's reasons for resisting the offer will be despatched to shareholders in good time before the close of the Hiram Walker offer on January 18.

Mr. John Macphail, Highland's *chairman, said yesterday,* "we do not welcome the offer in the least. It will be fought vigorously."

Highland warmed to the battle yesterday as Hiram issued its formal offer document to Highland shareholders.

On the stock market High*land's shares fell 1p to 143p.* This compares with Hiram's offer of 130p in cash for each Highland share with an alternative offer of Hiram Walker loan notes of a nominal value equivalent to the amount of the cash con*sideration.*

In its document Hiram says *that* Highland's *assets are* essentially its stocks of whiskies, its distilleries and related facilities, its shareholding of 35.4 per cent in Robertson and Baxter and the potential of "The Famous Grouse." Hiram says that *its offer price amounts to nearly* 2½ times the book value of High*land's net tangible assets.*

"Whilst the accounts undoubtedly undervalue Highland's assets, it should be recognised that in the Scotch whisky industry, as in other industries, the value of assets is a function of what *they will contribute to* future earnings. The offer price of 130p per share represents a multiple of nearly 17 times Highland's earnings for the year ended August 31, 1979—over 30 *times if a full tax charge is* assumed," the document ex*plains.*

Mr. H. Clifford Hatch, chairman and chief executive officer of Hiram, tells Highland shareholders in the document that the production and marketing of The Famous Grouse is a joint venture *between Highland and its wholly* owned subsidiary, Gloag, and *Robertson and Baxter. The joint* venture originated in 1971 but is now the subject of an agreement made in 1977.

In arguing that Highland only receives 50 per cent of the benefits of its wholly owned sub*sidiary's sales of the Famous* Grouse brand which it owns, Mr. *Hatch details the salient features* of the agreement.

Under the agreement Robertson and Baxter supplies and holds stocks of whiskies, principally grain whiskies, for use in the Famous Grouse brand, under*takes the blending and has a* responsibility for the make-up of the blend: Highland supplies and holds stocks of whiskies, principally malt whiskies for use in the brand: Gloag bottles and markets the Famous Grouse; Robertson and Baxter and Highland are paid *for* the whiskies *and services which they supply.* In addition Robertson and Baxter *receives an annual pay*ment based upon the net revenue surplus of Gloag. The annual payment is 50 per cent of the net revenue surplus, which is broadly the pre-tax profit.

"In short," says Mr. Hatch, "*Highland gets only 50 per cent* of the benefits of its wholly owned subsidiary's sales of the Famous Grouse brand which it owns."

Mr. Hatch adds that Highland cannot determine the level of dividend, nor has it any effective rights in the assets of Robertson and Baxter. Robert*son and Baxter is a subsidiary of* another company, Edrington Holdings. "The 35.4 per cent holding is simply a dividend yielding investment in a private company.

"Furthermore, in addition to the normal provisions enabling directors to restrict the transferability of shares in a private company, Robertson and Baxter *has a specific article designed to* discourage foreign shareholding. *These are negative factors of* which account should be taken in putting a value on Highland's shareholding in Robertson and Baxter."

Mr. Macphail, Highland's chairman, has indicated to Hiram that it cannot be assumed that the *long-standing relationship between Highland and Robertson* and Baxter would continue if *control of Highland were to* change.

If Robertson and Baxter decided to give six months' notice of termination, Highland would be required to buy out Robertson and Baxter's interest in the Famous Grouse name.

Hiram says in its document *that its offer is not designed to* obtain and retain an interest in Robertson and Baxter. "On the contrary, on its successful conclusion we would welcome the divestment of Highland's shareholding in Robertson and Baxter."

See Lex

Eagle Star forms HK subsidiary

Eagle Star Insurance Company, a member of **Eagle Star Holdings**, has formed a new Far *eastern insurance company*—the **Asian Eagle Insurance Company** based in Hong Kong.

The company will have an authorised and issued capital of HK$5m. It will commence trading on January 1, 1980.

HK$8m of which 75 per cent will be held by Eagle Star and the remainder by the Moller Group. *The company will underwrite all* classes of non-life insurance and its annual premium income is expected to be approaching

Mollers' has represented Eagle Star in Hong Kong on an agency *basis since 1963.* It will continue to maintain agencies on *behalf of Eagle Star as well as* maintaining its other existing insurance agency representations.

The formation of this new company represents a move by Eagle Star to expand its involvement in the Far East, with particular emphasis on business in Hong Kong, Singapore, Malaysia and Indonesia.

Sir Denis Mountain, chairman and managing director of Eagle Star, *will be the chairman of* Asian Eagle, while Mr. J. A. Walsh, *general manager overseas* and Mr. I. F. M. Milne, assistant *general manager overseas,* will become directors.

IBA seeks additional £86,000 from Radio Clyde

THE CONTINUING success of **Radio Clyde** has meant an *increase in its financial* commitments to the IBA. The *Authority has asked for an addi*tional £86,000, making £230,000 annually, for primary rental.

Although Radio Clyde is contractually bound to pay, Mr. Ian Chapman, the chairman, says he is "surpised" that the IBA has asked for such a "significant increase."

The objective of primary rental, supported regardlessly by *Radio Clyde, is to see profitable* stations make a wider contribution to the development of the industry as a whole.

In the year to September 30, 1979, Radio Clyde reported profits almost unchanged at £200,102 from £197,799. This was after deduction of £177,005 for IBA rental and Corporation tax *of £232,707.*

The company suffered fluctuat*ing fortunes during the year.* A combination of industrial troubles and bad weather produced a slump in advertising revenue and the company made a loss in January and February.

At a time when Radio Clyde looked as though it might not reach its targets for the financial year, the ITV strike produced an unexpected increase in revenue in September and effectively cancelled out the earlier losses.

SOUTH CROFTY

Saint Piran, the troubled mining group which is the subject of a Department of Trade investigation, continues to increase its stake in fellow Cornish tin miner, **South Crofty**. Yesterday it announced that its holding had increased from 55.5 per cent to 56.4 per cent.

BANK RETURN

	Monday Dec. 24 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	25,673,778	— 1,872,217
Special Deposits	850,015,000	
Bankers Deposits	467,989,357	— 20,045,651
Reserves & other Accounts	630,031,773	— 45,719,216
	1,988,262,908	— 67,637,084
ASSETS		
Government Securities	1,530,677,324	— 61,700,000
Advances & Other Accounts	164,298,648	+ 9,388,968
Premises Equipment & Other Secs.	268,502,670	— 15,633,142
Notes	24,529,555	+ 401,425
Coin	254,711	+ 5,665
	1,988,262,908	— 67,637,084
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,775,000,000	—
In Circulation	10,750,470,445	— 401,425
In Banking Department	24,529,555	+ 401,425
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	9,319,437,874	+ 612
Other Securities	1,444,547,026	— 612
	10,775,000,000	—

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
AKZ C	F.22.50	—	—	20	2.70	—	—	F.23.40
AKZ C	F.25	—	—	—	—	30	2.10	"
AKZ C	F.27.50	—	—	82	0.80	20	1.10	"
AKZ P	F.22.50	—	—	—	—	7	1.20	"
AKZ P	F.27.50	5	4.90	—	—	—	—	"
ARB C	F.65	—	—	—	—	3	4	F.66.10
CSF C	F.440	—	—	3	24	—	—	F.440
HO C	F.22.50	—	—	2	1.80	[illegible]	2.80	F.20.90
KLM C	F.70	—	—	1	8.30	—	—	F.74
KLM C	F.80	16	0.60	11	3.70	—	—	"
KLM C	F.90	—	—	15	1.40	3	2.50	"
KLM C	F.100	—	—	10	0.70	—	—	"
KLM P	F.70	—	—	2	3.90	—	—	"
KLM P	F.80	15	6.50	—	—	—	—	"
NN C	F.100	3	19.60	—	—	—	—	F.119
NN C	F.120	10	2	25	6.40	—	—	"
NN C	F.125	—	—	7	3.50	—	—	"
PHI C	F.20	—	—	—	—	9	2.30	F.20.70
PHI C	F.22.50	—	—	130	0.80	415	1.10	"
PHI P	F.25	—	—	—	—	15	0.50	"
PSA C	F.280	—	—	5	12.50	—	—	F.270
RD C	F.145	11	5.20	—	—	—	—	F.147.60
RD C	F.150	142	2.10	8	7.50	—	—	"
RD C	F.160	75	0.30	41	3.10	29	4.30	"
RD P	F.140	5	0.30	—	—	—	—	"
RD P	F.145	5	0.80	61	2.90	—	—	"
RD P	F.150	41	3.40	1	4	—	—	"
RD P	F.160	—	—	[illegible]	12.80	—	—	"
UNI C	F.115	10	1.80	2	6.50	—	—	F.114.40
UNI C	F.120	—	—	1	4	—	—	"
UNI C	F.125	—	—	10	1.70	—	—	"
		Feb.		May		Aug.		
BA C	$45	[illegible]	[illegible]	—	—	—	—	$50¾
BA C	$50	5	5½	4	5⅜	—	—	"
OXY C	$20	1	7⅛	—	—	—	—	$27¾
SLB C	$100	2	2½	—	—	—	—	$92½

TOTAL VOLUME IN CONTRACTS 1528

C=Call P=Put

MINING NEWS

Nickel rescues Hampton Areas

BY KENNETH MARSTON, MINING EDITOR

THE UK-registered **Hampton** *Gold Mining Areas* must now be very glad that in July it decided *not to go ahead* with a deal whereby it would sell its royal*ties on part of* Western Mining's Australian nickel production to **Colonial Mutual Life Assurance.**

These royalties, which are based *on the realisable value of* nickel sales rather than profits *of the mining operations,* are responsible for the advance in Hampton Areas' net profits for the six months to September 30. They amount to £252,000 (before an extraordinary debit of £62,000) compared with £103,000 a year ago and the total for the 12 months to March 31 of £566,000.

	First half 1979 £000	1978 £000
Trading profits	198	279
Royalties	432	148
Exploration costs	156	161
Australia	130	39
North Sea	26	122
Exchange deficit	28	21
Profit before tax	446	245
Taxation	194	142
Extraordinary debit	62	—
Attributable	190	103

The company's other interests have fared less well and total profits from them have fallen sharply. In the UK, **Great Row Colliery** has traded satisfactorily but the **Wultex Machine** subsidiary has been hit by the engineering strike.

In Australia, development of the 50 per cent-owned **Northampton Lead Mines** venture has been suspended because of differences *between Hampton Areas and its* partners. The company paid A$100,00 (£50,000) for its stake in the potential small lead mine and has advanced the venture a total of A$350,000.

The future of the project is not clear, but the ore deposit could still prove to be a commercial proposition and Hampton Areas may be able to come to some new arrangement, *possibly* a sale of its interest.

● comment

Apart from the uncertainty overhanging the investment in *Northampton Lead,* a good year is in prospect for Hampton *Areas. Earnings for the second* half should show a further substantial increase in line with anticipated record nickel royalties following higher prices for the metal. Great Row should be better and providing that any UK steel strike does not upset things the outlook is for an improvement at Wultex. There is thus the prospect of an increase in the final dividend following the unchanged interim of 1.5p net which is now declared. The shares were 245p yesterday.

New silver operations

MEXICO's **Minera Real de Angeles**, which is 34 per cent owned by Canada's **Placer Development**, is to take to production its silver-lead-zinc property in the State of Zacatecas. According to Placer, financing for the U.S.$150m *(£68m) project* still has to be arranged.

Placer's partners are the Mexican Government and Frisco SA de CV, each of which has a 33 per cent stake. Ore reserves are put at 59m tonnes grading an average 75 grammes of silver per tonne, 1 per cent lead, 0.9 *per cent zinc and 0.015 per cent* cadmium.

Production is expected to start in 1982. It will be at a projected annual rate of 225 tonnes silver and 32,000 tonnes of lead in one concentrate plus 26,000 tonnes zinc and 415 tonnes cadmium in a second concentrate.

Also encouraged by the high price of silver, four U.S. com*panies plan to reopen* **Consolidated Silver Corporation's Silver Summit** mine near Osburn, Idaho. Partners in the U.S. venture are **Hecla Mining, Coeur d'Alene Mines, Silver Dollar Mining** and **Sunshine Mining.**

In addition to reopening the mine the joint venture also will *begin "an extensive exploration* programme" on Consolidated Silver's mining properties.

Total expenditures are expected to be more than $11m over the next five years. The joint venture partners will advance all funds and after recouping their costs will pay to *Consolidated Silver 35 per cent* of the profits from any ores mined.

RTZ group signs a new Malaysian tin deal

A NEW tin mining deal in Malaysia has been signed by the **Rio Tinto-Zinc** group's **Conzinc Riotinto Malaysia** which is wholly owned by **Conzinc Rio***tinto of Australia. CRM has* formed a joint venture company with a Pahang State Government agency to mine 3,000 acres of tin land in the state.

The new company, **Modal Seri Pandan Son**, is 70 per cent-owned by the state and 30 per cent by CRM. After the signing of the agreement the Pahang Chief Minister, Abdul Rahim Abu *Bukar, said that the* M$18m (£3.33m) project at Sungai Pandan, would start production early in 1982.

He added that intensive prospecting carried out since 1974 had shown that the area held a large tin deposit which could last for 25 years. But he gave no figures for the reserves or for the projected extraction rate.

Meanwhile, Malaysia's Primary Industries Minister, Mr. Paul *Leong, has said that it may be* necessary to improve the investment climate for international mining companies in Malaysia to stimulate exploration for, and development of, non-alluvial tin and other minerals.

Noting that Malaysia now faces a rapid depletion of alluvial tin deposits, he *said* mining companies will not com*mit themselves to the high risks* and large capital outlay involved in exploration and development unless adequate guarantees are given.

ROUND-UP

The joint bid by **Shell of Australia** and shipping *group* **McIlwraith McEachern** for *Bellambi Coal has been approved* by the Australian Foreign Investment Review Board. As previously reported, the two companies agreed to pay **Consolidated Gold Fields of Australia** A$19.17m (£9.6m) *for* its 64.32 per cent stake in Bellambi and to make a similar offer to minority interests. *McIlwraith already has an* interest in the coal company and purchase of the CGFA stake which give it and Shell a joint 77 per cent of Bellambi's issued capital.

* * *

Australia's Western Mining Corporation Holdings and Western *Mining said their takeover offer* for **BH South** has resulted in *acceptances totalling 46.9 per* cent of South's issued capital of 55.55m shares. Western Mining added that it will extend the closing date for acceptances to January 31 from the original December 28 deadline.

* * *

Atlas Steels, a division of the **Rio Tinto-Zinc** group's **Canadian Rio Algom**, announces that stain*less steelmaking operations at* its Tracy, Quebec plant, are being scheduled to start up early in January. The announcement was made following ratification by union members during the past few days of both a government mediator's report and a back-to-work agreement. The *350 production and maintenance* workers, represented by the Con*federation of National Trade* Unions, have been out since last March.

* * *

China *has completed construc*tion of two large gold mines in coastal Shandong Province about 500 kilometres south of Peking, the official Xinhua news agency reports. The first phase projects of the Jiaojia and Xincheng *gold mines handle 500 tons of* ore dail, it said. The mines *were discovered at the end of* the 1960s and construction was begun in 1975 and 1976 respectively.

BASE LENDING RATES

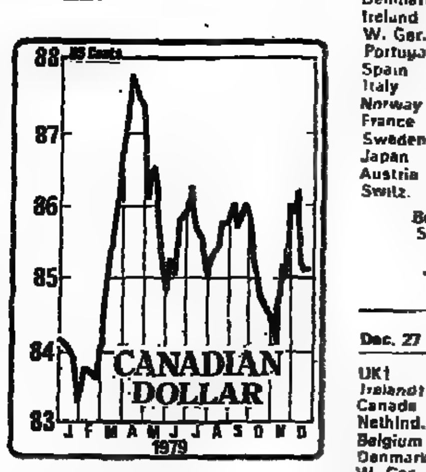
A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Julian S. Hodge	18 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Shenley Trust	19 %
C. E. Coates	17 %	Standard Chartered	17 %
Consolidated Credits	17 %	Trade Dev. Bank	17 %
Co-operative Bank	*17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	17 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

هكذا من الأصل

Companies and Markets **CURRENCIES, MONEY and GOLD**

Dollar weak, pound firm



THE DOLLAR came under selling pressure in thin trading after the Christmas holiday, while the main influence was commercial business for book squaring ahead of the year end. News of a building up of Soviet troops in Afghanistan increased nervousness in the market, and the dollar finished only slightly above the record low touched against the D-mark at the beginning of December. The U.S. currency fell to DM 1.7165 from DM 1.7300 against the D-mark, and to SwFr 1.5800 from SwFr 1.6000 in terms of the Swiss franc. On Bank of England figures (taken at noon) the dollar's trade-weighted index was unchanged at 85.1.

Sterling was very strong, rising to its highest level since mid-September. Its trade-weighted index, as calculated by the Bank of England, rose to 70.5 from 69.8, after standing at 70.2 at noon and 69.9 in the morning. The pound opened at $2.2120-2.2140, the lowest level of the day, and advanced to a peak of $2.2490-2.2500 in the afternoon, before closing at $2.2390-2.2410, a rise of 3.27½ cents on the day.

FRANKFURT — The Bundesbank bought $15m when the dollar was fixed at DM 1.7239 against the D-mark, compared with DM 1.7402 previously. Trading was thin however, with the central bank support considered a move to prevent the U.S. currency from weakening too far before the end of the year.

MILAN—The dollar fell to L804.70 from L807.70 against the lira at the fixing, after the Christmas holiday on Tuesday and Wednesday. Sterling declined to L1,792 from L1,781.50, but the Swiss franc rose to L507.25 from L503.50. Members of the EMS were generally firmer against the lira, although the Danish krone fell to L150.74 from L152.26. The D-mark improved to L467 from L465.25 and the French franc to L200.07 from L199.90.

COPENHAGEN—The Danish krone eased slightly against most members of the European Monetary System, but improved against the dollar, Japanese yen and Norwegian krone. The D-mark rose to DKr 3.1060 from DKr 3.0945; the French franc to DKr 1.3283 from DKr 1.3250; the Dutch guilder to DKr 2.8095 from DKr 2.8065; the Belgian franc to DKr 19.07 per 100 from DKr 19.06; and the Italian lira to DKr 6.6780 per 1,000 lira from DKr 6.6600. On the other hand the Irish punt fell to DKr 1,1430.50 from DKr 1.146. Outside the EMS stherling rose to DKr 1,188.55 from DKr 1,182.70, while the dollar fell to DKr 535.10 from DKr 538.50. The Swedish krona improved to DKr 1.2867 from DKr 1.2847, but the Norwegian krone eased to DKr 1.0745 from DKr 1.0750.

THE POUND SPOT AND FORWARD

Dec. 27	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2120-2.2500	2.2390-2.2410	0.40-0.30c pm	1.87	1.02-0.92 pm	1.73
Canada	2.5985-2.6400	2.6290-2.6320	0.50-0.40c pm	2.05	1.53-1.43 pm	2.25
Nethlnd.	4.22-4.26	4.24-4.25½	1⅛-⅞c pm	3.88	4¼-3¾ pm	3.65
Belgium	62.25-62.75	62.55-62.70	17-7c pm	2.30	37-27 pm	2.04
Denmark	11.82-11.98	11.95-11.96½	1-3ore dis	−2.01	6½-8½ dis	−2.51
Ireland	1.0350-1.0500	1.0450-1.0460	0.05-0.15p dis	−1.15	0.20-0.30dis	−0.96
W. Ger.	3.81-3.86	3.84-3.85	2¾-1¾p pm	7.02	7½-6½ pm	7.28
Portugal	110.15-112.00	111.40-111.70	15-65c dis	−4.30	50-160 dis	−3.58
Spain	146.50-148.50	148.10-148.35	-100c dis	−6.07	105-205 dis	−4.18
Italy	1,780-1,805	1,801½-1,803½	½ lire dis	−3.68	13½-15½ dis	−3.22
Norway	11.01-11.12	11.05¾-11.07¾	-¼ore pm	1.35	8½-6½ pm	2.71
France	8.93-9.01	8.97¾-8.99¼	2-1c pm	2.00	5½-4½ pm	2.22
Sweden	9.21-9.32	9.30½-9.31½	2ore pm-par	1.29	5-3 pm	1.72
Japan	528-539	535-537	3.95-3.40y pm	8.23	10.40-9.90 pm	7.57
Austria	27.40-27.80	[illegible]	17-7gro pm	5.21	55-45 pm	7.24
Switz.	3.51½-3.55	3.53¾-3.54¼	4-3c pm	11.87	10-9 pm	10.74

Belgian rate is for convertible francs. Financial franc 64.95-65.05. Six-month forward dollar 1.87-1.82c pm, 12-month 3.75-3.65c pm.

THE DOLLAR SPOT AND FORWARD

Dec. 27	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2120-2.2500	2.2390-2.2410	0.40-0.30c pm	1.87	1.02-0.92 pm	1.73
Ireland†	2.1410-2.1450	2.1415-2.1435	—	—	—	—
Canada	1.1745-1.1756	1.1751-1.1756	0.01cpm-0.02dis	−0.51	0.21-0.17 pm	0.65
Nethlnd.	1.9060-1.9100	1.9060-1.9080	0.23-0.13c pm	1.13	0.90-0.80 pm	1.78
Belgium	27.94-28.15	27.94-27.97	1½c pm-par	0.32	3 pm-par	0.21
Denmark	5.3375-5.3475	5.3375-5.3400	1.50-2.00ore dis	−3.93	4.00-4.50dis	−3.18
W. Ger.	1.7160-1.7265	1.7160-1.7170	0.70-0.60pf pm	4.54	2.40-2.30 pm	5.48
Portugal	49.75-49.90	49.75-49.85	15-25c dis	−4.82	45-75 dis	−4.82
Spain	66.20-66.27	66.22-66.25	25-45c dis	−6.34	75-105 dis	−5.43
Italy	803.50-804.90	804.50-804.90	3-5 lire dis	−5.96	9-12 dis	−5.22
Norway	4.9445-4.9860	4.9445-4.9485	0.30-0.80ore dis	−1.33	1.50-1.00 pm	1.01
France	4.0100-4.0500	4.0100-4.0150	0.25c pm-par	0.37	0.80-0.30 pm	0.55
Sweden	4.1560-4.1675	4.1560-4.1580	0.20-0.40ore dis	−0.87	0.05-0.15dis	−0.10
Japan	239.00-240.10	239.20-239.30	1.30-1.15y pm	6.14	3.60-3.40 pm	5.85
Austria	12.32½-12.41¼	12.32¼-12.34¼	0.50gropm-1.50dis	−0.49	18.00-14.00pm	5.19
Switz	1.5780-1.5940	1.5795-1.5805	1.40-1.30c pm	10.25	3.60-3.50 pm	8.98

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Dec. 26	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	Unavail.	avail.
U.S. $	13	1.31537	"
Canadian $	14	Unavail.	"
Austria Sch.	3¾	"	"
Belgian F.	10½	"	"
Danish K.	11	"	"
D Mark	6	"	"
Guilder	9½	"	"
French Fr.	9½	5.32596	"
Lira	15	Unavail.	"
Yen	6¼	313.716	"
Norwgn. Kr.	9	unavail.	"
Spanish Pts.	8	"	"
Swedish Kr.	9	"	"
Swiss Fr.	2	"	"

CURRENCY MOVEMENTS

Dec. 27	Bank of England Index	Morgan Guaranty changes %
Sterling	70.2	−35.5
U.S. dollar	85.1	−8.1
Canadian dollar	80.4	−17.6
Austrian schilling	158.3	+23.6
Belgian franc	115.5	+13.5
Danish kroner	110.5	−1.8
Deutsche mark	158.8	+47.0
Swiss franc	204.6	+83.4
Guilder	136.2	+20.7
French franc	102.9	−4.5
Lira	55.1	−50.0
Yen	117.8	+16.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Dec. 27	£	$		£ Note Rates
Argentina Peso	n/a	n/a	Austria	27.40-27.65
Australia Dollar	2.0010-2.0050	0.9040-0.9045	Belgium	64.50-65.10
Brazil Cruzeiro	n/a	n/a	Denmark	11.82-11.89
Finland Markka	8.30-8.32	3.7150-3.7160	France	8.92-8.95
Greek Drachma	n/a	n/a	Germany	3.81-3.84
Hong Kong Dollar	11.0600-11.0700	4.9410-4.9450	Italy	1750-1810
Iran Rial	n/a	n/a	Japan	533-538
Kuwait Dinar (KD)	0.610-0.615	0.2739-0.2740	Netherlands	4.21-4.24
Luxembourg Frc.	62.55-62.70	27.94-27.96	Norway	11.07-11.14
Malaysia Dollar	4.9010-4.9030	2.1880-2.1890	Portugal	109-116
New Zealand Dlr.	2.2500-2.2560	1.0160-1.0175	Spain	145½-153½
Saudi Arab. Riyal	7.45-7.55	3.3680-3.3695	Switzerland	3.51-3.54
Singapore Dollar	4.8540-4.8560	2.1670-2.1680	United States	2.23¼-2.24¼
Sth. African Rand	1.8220-1.8250	0.8260-0.8265	Yugoslavia	46½-48

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 27	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3432	+1.39	+1.39	±1.53
Danish Krone	7.72336	7.70098	−0.29	−0.29	±1.64
German D-Mark	2.48208	2.48302	+0.04	+0.04	±1.125
French Franc	5.84700	5.80492	−0.72	−0.72	±1.3557
Dutch Guilder	2.74362	2.74602	+0.09	+0.09	±1.512
Irish Punt	0.668201	0.675186	+1.05	+1.05	±1.668
Italian Lira	1157.79	1159.90	+0.18	+0.18	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Dec. 27	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.240	3.845	536.0	8.988	3.536	4.246	1803.	2.631	62.63
U.S. Dollar	0.446	1.	1.717	239.3	4.012	1.579	1.896	804.7	1.174	27.96
Deutschemark	0.260	0.583	1.	139.4	2.337	0.920	1.105	468.8	0.684	16.29
Japanese Yen 1,000	1.866	4.179	7.174	1000.	16.77	6.600	7.924	3365.	4.906	116.8
French Franc 10	1.113	2.493	4.278	596.4	10.	3.936	4.725	2006.	2.927	69.68
Swiss Franc	0.283	0.633	1.087	151.5	2.541	1.	1.201	509.5	0.744	17.70
Dutch Guilder	0.235	0.527	0.905	126.2	2.116	0.833	1.	424.4	0.619	14.74
Italian Lira 1,000	0.555	1.243	2.133	297.4	4.986	1.963	2.356	1000.	1.459	34.74
Canadian Dollar	0.380	0.852	1.462	203.8	3.417	1.345	1.615	685.2	1.	23.81
Belgian Franc 100	1.597	3.577	6.140	855.9	14.35	5.649	6.782	2878.	4.200	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 14.50-14.60 per cent; three months 14.50-14.60 per cent; six months 14.25-14.35 per cent; one year 12.90-13.00 per cent.

Dec. 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅛-16½	13⅞-14⅛	12¼-13½	12¾-13¼	2½-3	20-21	11¾-12¼	16-30	—	5½-8
7 days' notice	16⅛-16½	14-14½	12½-13½	12¾-13¼	3-3½	11¼-11½	11¾-12¼	17½-22¼	15½-13¾	5-7
Month	16¾-17	14½-14¾	13½-13⅞	12¼-12½	5⅛-5¼	9¼-9⅜	13⅞-14⅜	18½-21½	14¼-14⅜	8-9
Three months	16¾-17⅛	14-15	13¼-13⅜	12¾-13	5⅞-6	9-9	14-14½	19-20¾	14¾-14⅞	8⅝-9⅛
Six months	16-17	14⅞-15⅛	12¾-13⅛	11-11	5-6	8-8	14-14½	16½-19¾	14⅛-14	9¼
One year	15⅛-15½	13⅛-13⅜	12⅛-12¾	10-10	5½-5⅞	8-8	13¾-14¼	17-18	13-13	7-8⅜

Long-term Eurodollar two years 12⅝-12⅞ per cent; three years 12-12⅛ per cent; four years 11⅞-12 per cent; five years 11⅝-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Quiet trading

Trading was predictably quiet on the first day after the Christmas break, and interest rates in Europe showed little overall movement. The one exception was the rate on German short-term funds, with call money quoted at 10-10½ per cent, sharply higher than 8.70-8.80 per cent last Friday. Longer term rates showed an easier tendency however, with one-month money at 9.60-9.80 per cent against 9.75-9.85 per cent previously, and three-month at 9.25-9.40 per cent compared with 9.55-9.65 per cent. The six-month rate fell to 8.75-8.90 per cent from 8.90-9.00 per cent, while 12-month money remained at 8.40-8.60 per cent.

PARIS—Trading was extremely quiet and interest rates showed little movement. Call money was quoted at 12 per cent, unchanged from previously, with one-month funds steady at 12⅛-12⅜ per cent. The three-month rate edged lower to 12½-12⅝ per cent from 12⅝-12¾ per cent and the 12-month rate was down at 12⅞-13⅛ per cent from 12¾-12⅞ per cent.

AMSTERDAM — Short-term funds appeared to be easily obtained yesterday, with call money falling to 11-12 per cent from 14-14½ per cent and longer-term rates also showed a fairly sharp decline. One-month money fell to 13¾-14 per cent from 15-15¼ per cent and the three-month rate was lower at 14-14¼ per cent against 14½-14¾ per cent previously. Six-month money eased to 12-12½ per cent from 12½-13 per cent.

NEW YORK — U.S. Treasury bill yields opened a little higher in quiet trading, with 13-week bills at 12.04 per cent from 12.02 per cent previously and 26-week bills at 11.88 per cent compared with 11.83 per cent. Federal funds were quoted at 14 per cent, up from 13¾ per cent although funds were probably found cheaper.

BRUSSELS — Deposit rates for the Belgian franc (commercial) were quoted at 14¼-14¾ per cent for one-month and 14¾-14⅞ per cent for three-month, hardly changed from last Friday. Six- and 12-month deposits were also steady at 14¼-14¾ per cent and 13¼-13¾ per cent respectively.

HONG KONG — Conditions were generally steady yesterday

MONEY RATES

NEW YORK

Prime Rate	15-15¼
Fed. Funds	14
Treasury Bills (13-week)	12.04
Treasury Bills (26-week)	11.88

GERMANY

Discount Rate	6
Overnight Rate	10.25
One month	9.70
Three months	9.325
Six months	8.825

FRANCE

Discount Rate	9.5
Overnight Rate	12.0
One month	12.3125
Three months	12.625
Six months	12.5625

JAPAN

Discount Rate	6.25
Call (Unconditional)	8.125
Bills Discount (three-month)	8.46875

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in good supply in the London money market yesterday, and the authorities mopped up the surplus by selling a small amount of Treasury bills direct to the discount houses. The latter were paying around 15½ per cent for secured call loans at the start, and later balances taken between 15 per cent and 16 per cent, with trading finishing around mid-day.

The market was faced with a small net take up of Treasury bills to finance and the unwinding of a previous sale and repurchase agreement of bills. On the other side banks brought forward balances some way above target, and there was a small decrease in the note circulation. Also Government disbursements exceeded revenue transfers to the Exchequer by a small amount.

In the interbank market, overnight loans opened at 16-16¼ per cent and eased to 15 per cent on the forecast, with most business seen between 15 per cent and 15½ per cent. Soon after 11 am rates started to rise up to 16½ per cent, came back briefly to 15½ per cent and finished at 17 per cent.

Rates in the table below are nominal in some cases.

GOLD

Continued rise

Gold rose above the $500 level in very thin trading, with several London dealers hardly involved in the market, which effectively closed soon after lunch at $510-512—a rise of $23½ from Monday. There was no afternoon fixing, but the metal was fixed at $508.75 in the morning. News from Washington that the Soviet Union had moved troops and military equipment into Afghanistan continued to push the price up, while another factor may have been the forthcoming IMF gold auction next Wednesday. After London closed the price continued to advance in New York, touching $518-520.

In Paris the 12½ kilo gold bar was fixed at a record FFr 69,000 per kilo ($533.13 per ounce), compared with FFr 68,100 ($523.96) in the morning and FFr 64,500 ($495.65) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 28,210 per kilo ($508.96 per ounce) compared with DM 26,600 ($474.96) previously.

	December 27		December 24	
Gold Bullion (fine ounce)				
Close	$510-512	...	..	..
Opening	$505½-507½	...	..	..
Morning fixing	$508.75	(£228.806)	$485.90	(£220.463)
Afternoon fixing	..	...	..	(£215.241)
Gold Coins				
Krugerrand	...	...	$505-507	(£228½-231½)
Mapleleaf	...	..	$500-505	(£225-229)
New Sovereigns	...	..	$126-127	(£57-58)
King Sovs	...	..	$138-140	[illegible]
Victoria Sovs	...	..	$138-140	(£62-64)
Fr20 Napoleon	...	..	FFr455-480	(SFr180-190)
50 pesos Mexico	..		$590-595	
100 Cor. Austria	..		$460-464	
$20 Eagles	...		$554-560	
$10 Eagles	...		$313½-318½	
$5 Eagles	...		$278½-283½	

LONDON MONEY RATES

Dec. 27 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	15-17	—	—	—	16	15-16¼	—	—	—
2 days notice	—	—	16⅝-16⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15⅞-16⅛	16⅞	—	17⅛	16¾	15¾-16	—	—	—
One month	16¾-16⅝	16⅞-16⅞	16½-17	17⅜-17⅛	17⅛	17⅛	16⅛	15⅛	16⅞-16⅞	16⅞
Two months	16⅞-16⅞	16¾-16⅞	—	17⅜-17⅛	17¼	—	16⅛	16¾	16⅞-16⅞	16⅞
Three months	16⅞-16⅞	16¾-16⅞	16⅞-17	17⅛-16⅞	17¼	17¼	16⅛	15⅞-15⅞	16⅛-16⅞	16⅞
Six months	16⅞-16⅛	16⅞-16⅞	16⅜-16⅛	16⅝-16⅛	16⅞	—	—	—	15⅜-15⅜	16¼
Nine months	15⅞-15⅞	15⅞-15⅞	—	16⅛-15¾	16⅛	—	—	—	—	—
One year	15⅛-14⅞	15⅛-15⅞	16⅛-15⅞	15⅞-15⅛	15⅞	—	—	—	—	—
Two years	—	—	15¼-15⅜	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 15¼-15½ per cent four years 15¼-15⅜ per cent, five years 15¼-15⅜ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 16⅛-16⅝ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rates for one-month Treasury bills 15⅝ per cent; two-month 15⅝ per cent; three-month 15⅝ per cent. Approximate rates for one-month bank bills 15⅞-16 per cent; two-month 16⅛-16⅝ per cent; three-month 16⅛-16⅞ per cent; one-month trade bills 16⅞ per cent; two-month 16⅞ per cent and three-month 16⅞ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 15½ per cent from December 1 1979. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8407 per cent.

COMPANY NOTICE

SOUTH AFRICAN BUSINESS

The Afrikaner challenge

BY BERNARD SIMON IN JOHANNESBURG

THE WEEK before Christmas was one to remember on the Johannesburg Stock Exchange.

On Tuesday (December 18), General Mining unveiled details of its R355m ($433m) bid for the 49 per cent of Union Corporation which it does not already own. The next day strong demand for gold counters helped push the market to a record high, with the JSE overall index touching 546.1, more than 80 per cent higher than it was in January. Also on Wednesday, South Africa's largest industrial conglomerate, Barlow Rand, revealed that it is spreading its wings into the sugar industry by taking an interest in the C. G. Smith group.

Although the Afrikaner-dominated Genmin says that the English-oriented Unicorp will continue to operate as a separate company, the takeover is another milestone in the efforts of Afrikaans-speaking South Africans to match their dominance in the country's politics with a higher profile in commerce and industry.

Anglo American, with assets of R4.6bn and a market capitalisation of R4.3bn, is still far and away the biggest mining house. But Genmin is catching up. In 1973 its assets amounted to only R230m. Genmin Unicorp will be capitalised at R1.47bn with assets worth R2.2bn.

Genmin is not sitting still. It recently bought a 10 per cent stake in South Africa's second biggest chemicals producer, Sentrachem. An announcement on the development with Sentrachem of coalfields in the Northern Transvaal and the joint production of coal-based petrochemicals is expected early in 1980.

The bid by General Mining for the 49 per cent of Union Corporation which it does not already own seems to confirm the trend of Afrikaner-dominated groups looking for a bigger share in commerce and industry in South Africa—to give Afrikaners as great a say in business as they have in politics

Moreover, Genmin is frequently mentioned as the mystery buyer of Consolidated Gold Fields shares. If he does tuck Gold Fields under his belt, Genmin's hard-driving chairman, Dr. Wim de Villiers, will certainly be able to challenge Mr. Harry Oppenheimer as the leader of South Africa's gold mining industry.

Economists estimate that Afrikaners now control up to a quarter of private sector assets. They own the country's third largest bank, Volkskas, and the second largest life assurer, Sanlam, as well as powerful food, construction and motor companies. The South African operations of household names like Avis, Toyota, Honda and Massey Ferguson are part of Afrikaner-dominated groups. Afrikaners entered mass retailing for the first time last year when Federale Chemiese Beleggings took over the Greatermans department store and supermarket chain.

Nonetheless, only six of the top 25 industrial companies listed on the JSE can be roughly labelled as Afrikaans—two companies in the Rembrandt liquor and tobacco empire, Safmarine (shipping), Dorbyl (engineering), Sentrachem (chemicals) and Triomf (fertilisers).

Although Afrikaans companies still belong to their own chambers of commerce, it is becoming increasingly difficult to stick an Afrikaans or English tag to a company. Safmarine's Board is half English, half Afrikaans, but its management is mainly English-speaking. No one is quite sure into which pigeonhole the country's fourth largest bank, Nedbank, fits.

A further sign that many Afrikaners these days are businessmen first, and everything else second, is the fierce competition among Afrikaans-oriented firms in some sectors—newspapers and banks, for instance.

A commission of inquiry into anti - monopoly legislation reported two years ago that in a third of South Africa's industries, three or fewer companies accounted for at least 70 per cent of their industries' turnover. Some of today's best known conglomerates, such as SA Druggists, Fedfood, Bankorp and even Barlow Rand were mere shadows of their present size 10 years ago. Barlow's assets have more than quadrupled since 1973.

As a result of the commission's work a new anti-trust law, called the Maintenance and Promotion of Competition Act, comes into force on January 1. Besides prescribing heavier penalties for companies engaging in restrictive business practices, the Act gives the Government the new power of vetting mergers and acquisitions even before they take place.

Philips to shed more jobs in cable sector

BY Charles Batchelor in Amsterdam

PHILIPS, the Dutch electrical group, plans further cuts in its cable division in the Netherlands. The company intends to shed nearly 400 jobs, amounting to more than a quarter of the workforce at its Draka Kabel subsidiary in Amsterdam and Emmen.

Increasing competition and dull markets are the reason for the cost-cutting measures, said Draka, which is part of Philips' NKF cable division. It plans to employ fewer, more-specialised staff, dispose of unwanted machinery and factory space and streamline its administration.

Draka makes Drakaflex plastic, insulated and co-axial cables in Amsterdam and rubber and plastic cables at Emmen, in the north east of the Netherlands.

It seeks to shed up to 275 jobs out of 800 in Amsterdam and up to 100 of the 450 in Emmen. It hopes to achieve this by natural wastage. The workforce at these two factories has already been reduced by nearly 700 over the past few years, Draka said. Its proposals are still being discussed with the works council.

Philips, which is the largest private sector employer in the Netherlands, last month reported a rise of 300 to 83,400 in its Dutch workforce in the first nine months of 1979. However, the trend of recent years has been for a reduction of its workforce in the Netherlands and the rest of Europe and for an increase elsewhere.

An internal study, leaked by the unions at the end of last year, showed the company might have to shed a quarter of its Dutch workforce by 1990 unless it could find new markets and new products. High Dutch wage levels and costly social security premiums have encouraged the company to set up new plant in low-wage countries.

Philips also faces problems at four factories in the Netherlands making television tubes and related components. A meeting with the unions is planned for next month to discuss the situation at the four plants which employ nearly 4,200.

Chrysler France loss

PARIS—Chrysler France, former French unit of Chrysler Corporation of the U.S., incurred a loss of FFr 91.5m ($22.53m) in 1978, compared with a net profit of FFr 47m in 1977.

After-tax sales in 1978 totalled FFr 9.82bn ($2.42bn), an increase of 11.5 per cent on the 1977 figure of FFr 8.80bn.

At the annual general meeting yesterday the shareholders approved a motion authorising the Board to increase the company's capital to FFr 1.5bn from FFr 468.8m.

AP-DJ

Coupon lifted to 12% on French state loan

BY TERRY DODSWORTH IN PARIS

THE FRENCH Treasury has underlined the steady rise in interest rates in France by lifting the coupon on the state loan it is intending to issue in late January to 12 per cent.

This figure compares with a rate of 10.8 per cent on the last issue floated in September, and 9 per cent on the first loan of last year in April.

The new flotation shows that the Government intends to continue with its policy of using a series of issues throughout the year to finance the budget deficit. Last year, it raised a total of some FFr 15bn through this mechanism, thus financing almost half of the FFr 34.7bn deficit.

A strong secondary objective of the Government, however, is to help control the money supply by pulling funds out of the financial system into state bonds.

The authorities have already promised strong action on money supply growth in 1980 with an overall objective of cutting it to 11 per cent compared with between 13 and 14 per cent this year. Banks, for example, are being restricted to tighter controls in the expan- sion of their lending.

The new loan is for a tot- of FFr 8bn over a period of years. This total is rath- higher than anything offer- last year, suggesting both th- the authorities consider mark- conditions are now right absorb a sum of this size an- that the Government is prepa- ing for a considerably high- deficit than last year's.

While the official deficit targ- for 1980 has been set FFr 31bn, it is expected tha- it may slip to about FFr 50b-

Dollar price setback for LKAB

BY WILLIAM DULLFORCE IN STOCKHOLM

MALMEXPORT, the sales organisation of the Swedish iron ore exporters, has negotiated a 30 per cent price increase for deliveries to the West German steel industry in 1980. But the increase will not be enough to return LKAB, the state-owned iron company, to profit, its managing director, Mr. Sven Johansson, said.

Part of LKAB's 1980 deliveries had already been contracted in dollars at 1979 prices and the dollar has since fallen in value. Thus, in practice LKAB will obtain a price improvement of only some 25 per cent compared with the 37 per cent required to put it into the black, according to Mr. Johansson.

The state company turned in pre-tax losses of SKr 620m ($148m) in 1977 and of SKr 675m in 1978. In October, Mr. Johansson forecast an operating loss after depreciation but before interest charges of around SKr 230m in 1979. This would be an improvement of some SKr 270m over the 1978 result.

The contract with the West Germans will set the 1980 price levels for other European cus- tomers. Malmexport had origi- nally sought a 37 per cent in- crease but had to lower its offe- after Brazilian suppliers ha- signed contracts at prices 10 pe- cent below their opening offers.

LKAB's expected total iro- ore deliveries of 27m tonnes thi- year will be the largest sinc- 1974 when the company sol- over 32m tonnes. Mr. Johansso- fears that a downturn in th- steel industry may affect result- next year. Sales forecasts coul- be upset, for instance, if Britis- Steel workers go on strike nex- month.

Ciba-Geigy sheds Sublistatic stake

BY JOHN WICKS IN ZURICH

THE SWISS chemical company, Ciba-Geigy, of Basle, is to sell its minority stake in Sublistatic Holding to the majority shareholder, Lainiere de Roubaix. At the same time, Sublistatic, which has subsidiaries in the transfer printing sector, is selling its North and South American and Far Eastern companies to Ciba-Geigy. These include Sublistatic Corporation of America (New York), Corporation Sublistatica (Peurto Rico) and Subliprint Far East (Hong Kong).

Sublistatic Holding retains all its subsidiaries in the transfer printing field in Europe and Africa.

* * *

THE Saarbruecken-based holding company, Roechling Industrie Verwaltung, has acquired the Swiss company, Camille Bauer Messinstrumente, of Wohlen, a manufacturer of measurement and control equipment. The German company has also taken over the measurement and control technology division of the Basle wholesaler Camille Bauer. In future it will be known as Camille Bauer Mess-und Regeltechnik.

Sharon Steel to sue banks

MIAMI—Sharon Steel Corporation has filed suits against the Chase Manhattan Bank, Manufacturers Hanover Trust and U.S. Trust of New York, the trustees under indentures Sharon assumed in connection with its acquisition of UV Industries.

It said that it and UV had been named as defendants in suits over the takeover, filed in the Federal District Court for the Southern District of New York.

Under the indentures, UV had issued 5⅜ per cent subordinated debentures due 1995, 8⅞ per cent debentures due 1997 and 9¼ per cent senior subordinated notes due 1987. Aggregate principal amount outstanding is about $95m.

Sharon said the action seeks to cause the trustees to execute supplemental debentures, reflecting Sharon's secession to UV's rights and obligations under the indentures. It also seeks the release of $155m in cash and cash equivalents which Sharon says the trustees wrongfully caused UV to set aside in April 1979, and also damages resulting from the trustees action.

Sharon said that it and UV have complied in all material respects with the terms of the indentures.

Reuter

Alcan sees another peak year

MONTREAL — Alcan Aluminium expects to report higher fourth quarter earnings than in the year-ago period, putting the company's net for the year at least 35 per cent above the record results of 1978, said Mr. David M. Culver, president and chief executive officer.

Fourth quarter earnings "should be better" than the year-ago $88.2m or $2.05 a share on revenues of $1.03bn.

In the first nine months of this year, net income, including a $21.5m non-recurring gain, was $305.6m or $7.55 a share, indicating 1979 earnings in excess of $389m or $9.61 a share. However Mr. Culver declined to be more specific.

The expected earnings increase is due principally to prices that "have risen faster than we expected" and to lower-than-expected costs in connection with the resumption of production following a strike earlier this year at major smelting facilities in Quebec. A $45m charge against earnings was taken in the second quarter in anticipation of start-up costs. Mr. Culver did not specify the amount by which actual costs have undercut the earlier charge.

Alcan's record 1978 net income was $289.4m or $7.15 a share on revenue of $3.74bn.

Total 1979 shipments of primary and fabricated aluminimum products will be 50,000 to 55,000 short tons lower than the 1.7m tons shipped in 1978, indicating a slowdown in the fourth quarter to about 395,000 tons from 467,000 tons a year earlier.

Concerning 1980, Alcan expects to "sell all the metal we can produce." Alcan anticipates strong overseas sales next year, particularly in Australia and South-east Asia.

In North America, however, the Montreal-based concern faces dull demand for aluminium construction and car parts, while the market for household remodelling materials, such as aluminium siding, remains "good." The cable and electrical markets for aluminium products are "not bad," and the market for aluminium containers is still strong.

AP-DJ

Asarco again boosts Bendix earnings

SOUTHFIELD—Bendix Corporation expects the profit for its fiscal first quarter to show a year-to-year gain, said Mr. William M. Agee, the chairman and chief executive officer.

"We're going to have a very good quarter," he said but declined to make a specific forecast or to estimate the percentage of improvement.

In the comparable quarter, the diversified manufacturer, serving the automotive aerospace, industrial, housing and energy markets, earned a record $37.6m or $1.65 a share on revenue of $916.1m.

As in the previous quarter ended September 30, said Mr. Agee, the company's first quarter earnings gain will be "entirely attributable to Asarco." Bendix now holds nearly a 21 per cent interest in Asarco, the non-ferrous metals group, and includes a portion of Asarco's results on an equity accounting basis. Without that income, Bendix earnings from operations would probably be below year-ago levels.

He expects profit in the automotive and forest products divisions to fall below last year's first quarter levels. "Our forest products business is going to be off quite a bit."

Automotive business to the North American car and light truck market "is very bad" this quarter as domestic car makers continue to pare production schedules.

For the year ending September 1980, Mr. Agee expects "another good year" but he did not give an estimate. The company plans $160m in capital expenditure in 1980, as well as $165m to $170m in research and development work.

Bendix has boosted its quarterly payout regularly for the past several years and now pays 71 cents quarterly. In fiscal 1979, it earned a record $162.6m, or $7.10 a share, on revenue of $3.86bn.

Tracinda plan for options on 1m Columbia shares

LOS ANGELES — Tracinda Investment Corporation is considering a tender offer for call options, exercisable in about two years to buy 1m shares of Columbia Pictures Industries common stock, Mr. James Aljian, Tracinda's president, said.

Tracinda would pay $12 for a call option granting it or its nominee the right to buy a share of Columbia common stock at $37 during a one-month period beginning on January 1, 1982. Columbia stockholders who enter into the call options will be entitled to keep all regular dividends on their stock and will retain full voting rights during the option period.

Tracinda and its sole shareholder at present own about 2.4m shares—slightly under 25.5 per cent—of Columbia Pictures outstanding stock and are parties to an agreement which precludes them from directly or indirectly acquiring beneficial ownership of Columbia Pictures stock before January 1, 1982—which date is accelerated under certain circumstances—if the acquisition would result in them beneficially owning over 25.5 per cent of the outstanding common stock.

Mr. Aljian said: "I have instructed my representatives to explore this matter with selected members of the financial community and all appropriate securities exchanges and governmental agencies."

The offer would not be made until all necessary regulatory filings had been made and any required clearances obtained, he added. If the offer was made it would be subject to certain conditions — which may be waived by Tracinda—including the absence of litigation and, if required, the offer would be made only by means of a prospectus.

AP-DJ

DM200m bond for Denmark

By Francis Ghilès

A DEUTSCHE-MARK 200m Eurobond was launched for Denmark yesterday through Westdeutsche Landesbank. The first tranche of the issue carries an indicated coupon of 7¾ per cent for six years and the second an indicated coupon of 8¼ per cent for 12 years. Both are expected to be priced at par. Otherwise, international bond markets remained very quiet with trading, especially in London, reduced to a trickle.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on December 27

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	80	90¼	90¾	0	0	11.68
Alex Howden XW 9½ 91	30	77	78	0	0	13.33
Australian Res. 9⅞ 84	30	91½	92	−0½	0	12.03
Avco O/S Cap. 10½ 87	40	82½	83¼	−0⅛	−0⅛	14.09
Beneficial Fin. 9⅞ 87	100	90½	91	0	0	11.63
CECA Gr. Rate 10⅛ 91	150	84⅛	84⅞	−0⅞	−0⅛	12.01
CECA 9⅞ 89	125	†80⅞	81⅜	0	0	12.70
Canadian Pacific 9⅝ 89	50	90	90½	−0⅛	0	11.46
Carter Hawley 9¾ 86	[illegible]	89⅞	90¼	0	0	11.99
Comalco Inv. E. 10⅛ 91	40	90⅝	91⅛	0	0	11.71
Continental Grp. 9⅝ 86	100	90⅛	90⅞	0	+0⅛	11.73
Dome Petroleum 10 94	50	89⅜	89⅞	0	0	11.48
Dominion Bridge 10½ 84	30	95¼	95¾	0	0	11.85
Dow Chem. O/S 9⅝ 94	200	87⅛	87⅞	0	0	11.42
EIB 9⅞ 87	150	91¾	92½	−0⅛	0	11.80
EIB 10 99	150	86¼	87¼	+0⅛	+0⅛	12.01
EIB 10⅛ 87	100	92¾	93¼	−0⅛	0	11.81
EIB 10.15 99	100	87⅝	88⅛	0	0	12.07
Export Dv. Cpn. 9⅝ 84	100	92⅛	92⅝	+0⅛	+0⅛	11.65
Export Dv. Cpn. 9⅞ 84	150	93¼	93¾	+0⅛	+0⅛	11.59
Finland 9⅝ 89	100	88	89	−0⅛	−0⅛	12.00
GTE Finance 9½ 84	50	*92⅞	93¼	0	0	11.68
GTE Finance 9½ 89	55	88¾	89¼	0	0	11.70
GMAC 9⅝ 86	100	89¼	89¾	0	0	11.62
Gould Int. Fin. 9⅝ 85	80	92½	93	0	0	11.87
Hudson Bay Co. 10 94	80	89⅞	90⅛	0	0	11.43
ITT Antilles 9½ 89	75	86½	87	0	0	11.80
Kennecott Int. 9½ 86	100	87¼	87¾	−0⅛	−0⅛	12.42
Manitoba 9½ 89	75	87⅝	88⅛	+0⅛	+0⅛	11.68
Michelin 10 94	125	88¼	88¾	0	0	11.66
Nat. Des. Telecm. 9½ 86	100	90½	91	0	0	11.58
New Brunswick 9⅝ 94	75	86⅛	86⅞	0	0	11.72
Newfoundland 10 94	50	90⅛	90⅞	+0⅛	0	11.35
Norges Komm. 9⅞ 99	100	†86⅝	87⅛	−0⅛	−0⅛	11.91
Norway 9½ 84	150	92⅞	93⅜	0	0	11.57
Nova Scotia Pwr. 9⅞ 89	50	88¼	88⅞	0	−0⅛	11.79
Occidental Fin. 10⅛ 84	80	94½	94⅞	+0⅛	−0⅛	11.84
Orient Leasing 9½ 86	35	†87⅝	88⅛	−0⅛	−0⅛	12.25
Pennwalt O/S F. 9⅝ 84	25	92¼	92⅝	0	0	11.95
Pepsico Cap. 8⅝ 84	100	92⅞	93¼	−0⅛	−0⅛	11.39
Quebec Hydro 10 99	75	87	87½	0	0	11.67
Sears Roebuck 9 82	150	93⅞	94⅛	0	0	12.26
Statoil 9⅝ 89	100	89⅜	89⅞	0	0	11.44
Sweden 9½ 89	100	89⅛	89⅝	−0⅛	−0⅛	11.65
Sweden 9½ 86	200	91¾	92¼	−0⅛	−0⅛	11.68
Sweden 9⅝ 84	100	92⅞	93⅜	0	0	11.72
Unilever NV 9⅛ 87	100	88½	89	+0⅛	0	11.54
Warner-Lambert 9 84	100	91⅛	91⅝	+0⅛	0	11.62

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	†97½	98½	−0⅛	−0⅛	8.35
Argentina 7½ 89	150	93½	94¼	−0⅛	−0⅛	8.46
Asian Dev. Bk. 7⅛ 89	100	†94½	95½	+0⅛	+0⅛	8.01
Banco Desarrollo 7⅛ 86	100	94	94¾	+0⅛	+0⅛	8.45
Barclays O'seas 6¾ 89	100	94⅞	95⅝	+0⅛	+0⅛	7.47
Brazil 8 87	150	96⅞	97⅜	−0½	−0⅛	8.40
CECA 7 91	150	94⅞	95⅜	+0⅛	+0⅛	7.72
Council of Eur. 7⅛ 89	100	96¼	96⅞	−0⅛	−0⅛	7.78
EEC 7⅞ 94	225	98¾	99¼	+0⅛	+0⅛	7.99
EIB 7½ 89	200	98½	99¼	−0½	−0⅛	7.66
Eletrobras-Brazil 7 87	100	92¾	93½	−0⅛	+0⅛	8.32
Eurofima 6½ 89	100	95⅜	95⅞	−1	−0⅞	7.19
Kobe, City of 7⅛ 89	150	97¼	97⅞	0	0	7.49
Mitsubishi Chem. 6½ 84	70	97	98	+1	+0⅞	7.18
Neder. Gasunie 8 86	100	†103½	104¼	+0⅛	+0⅛	7.28
New Zealand 7⅛ 87	200	†98¾	99½	−0⅛	0	7.38
Nippon Kokan 6½ 84	100	95⅜	96⅛	−0⅛	0	7.62
Nippon Tel. & T. 5½ 87	100	89⅜	90	+0⅛	+0⅛	7.43
Norges Komm. 7⅜ 91	150	100⅞	101⅝	+0½	+0⅛	7.57
Norges Komm. 8⅛ 94	150	†102	103	+0⅛	+0⅛	7.96
Norway 6⅛ 84	200	97½	98½	+0⅛	+0½	6.90
OKB 6 87	40	89¾	90⅜	+0⅛	+0⅛	7.84
OKB 7⅛ 89	100	97⅞	98⅜	+0⅛	+0⅛	7.67
Tokyo Elec. Pwr. 6½ 85	200	96	96¾	+0⅛	+0⅛	7.33
World Bank 7⅛ 91	400	98½	99¼	+0⅛	+0⅛	7.89

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	96	96¼	+1	+0⅞	6.04
Aumar 5 89	60	†93½	94½	0	−0⅛	6.83
Australia 3⅞ 89	250	90½	91	+0⅛	−0⅛	4.89
Bergen, City of 4⅝ 91	40	96	96¼	−0⅛	+0⅛	5.20
BNDE 5 89	75	89⅞	89⅜	−0⅛	+0⅛	6.50
BMW Overseas 4⅛ 91	100	96¼	96½	+0½	+0⅞	4.85
Caisse Nat. Tele. 4⅜ 89	100	97¼	97½	0	−0⅛	4.72
Canada 3⅞ 89	300	92	92¼	+1½	+0½	4.69
Copenhagen 4⅝ 91	60	94½	94¾	−0⅛	−0⅛	5.12
Council of Eur. 5 89	100	97¼	97½	+0⅞	0	5.35
EIB 4½ 91	100	91½	91⅝	+0⅛	+0⅛	5.53
EIB 4½ 94	100	88	88¼	+1	+1	5.58
Elet. de France 4⅛ 89	100	97¼	98	+0⅛	+0⅞	4.65
GZB 4⅛ 89	100	93	93¼	−0⅛	−0⅛	5.16
Hilti 4½ 91	35	98	98¼	0	−0½	4.45
ICI Fin. NV 3½ 94	230	81⅛	81¾	+1½	+0⅛	5.40
Int.-Amer. Dev. 4½ 89	100	92½	92⅞	0	−0⅞	5.50
Malaysia 5 89	30	90⅛	90½	−0⅛	−0⅛	6.33
Nippon Tel. & T. 4⅛ 89	100	96	96¼	−0⅛	0	4.75
Nordic Bank 5 89	45	100⅛	100⅜	+0⅛	+1	4.96
Norges Komm. 4⅜ 91	100	94⅜	94⅞	+1⅛	+1⅛	4.97
OKB 3¾ 91	100	85½	85¾	0	0	5.50
OKB 4⅝ 91	100	90⅞	91⅛	+0⅛	+0⅛	5.43
Oslo, City of 4⅛ 91	100	90⅝	90⅞	−0⅛	−0⅛	5.46
Shikoku El. Pwr. 4⅜ 89	100	98⅜	98⅝	+0⅛	+0⅛	4.96
Spain 4 91	100	89	89¼	−1⅛	−1⅛	5.31
Steweag 4⅝ 91	60	96½	97	0	−0⅛	5.13
Voest-Alpine 4⅝ 89	90	97¼	97¾	+0½	+0½	5.09
World Bank 4⅛ 89	100	97½	97⅝	+0⅛	+0⅛	4.94
World Bank 4⅜ 89	150	94¾	95	+0⅛	+0⅛	5.05
World Bank 4⅝ 91	100	98½	98¾	−0⅛	−0⅛	5.35

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	89¼	90⅛	0	0	8.92
Australia 5½ 88	20	84⅛	85⅛	0	0	9.20
EIB 7⅛ 89	12	97⅛	99⅞	0	0	7.99
Finland 5.6 83	10	89⅜	89⅝	0	0	9.10
Finland 6.8 88	10	89¼	89⅞	−0⅛	−0⅛	8.81

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10⅛ 86 C$	25	88⅛	88⅞	+0⅛	0	13.00
Bell Canada 10⅛ 88 C$	60	90½	91⅛	+0⅛	+0⅛	12.79
Cr. Foncier 10⅛ 84 C$	30	90½	91⅛	+0⅛	+0⅛	13.05
Ex. Dev. Cpn. 10 84 C$	50	92⅛	92⅝	+0⅛	+0⅛	12.23
Fst. Can. Inv. 10 84 C$	50	91⅛	91⅝	0	0	12.64
Hudson Bay 10⅛ 89 C$	50	90⅛	90⅝	+0⅛	+0⅛	12.27
Quebec 10⅛ 86 C$	50	91⅛	92	+0⅛	+0⅛	12.20
R. Bk. Canada 10 88 C$	40	92⅛	93	+0⅛	+0⅛	11.84
R. Bk. Canada 10 94 C$	40	85¼	86⅛	0	+0⅛	12.10
Copenhagen 8⅛ 91 EUA	25	91⅛	92⅛	0	0	9.41
Copenhagen 8⅛ 91 EUA	30	98½	100⅛	0	0	8.72
SOFTE 8⅛ 89 EUA	40	[illegible]	90	0	0	10.05
Algemene Bk. 8⅛ 84 Fl	75	96⅞	97⅛	+0⅛	+0⅛	9.01
Amev 8⅛ 86 Fl	75	97⅛	98⅛	0	0	8.92
Ned. Middbk. 8⅛ 84 Fl	75	96	96⅞	+0⅛	+0⅛	9.34
Norway 8⅛ 84 Fl	100	96⅛	96⅞	0	0	9.42
Norway 8⅛ 84 Fl	100	96	96½	−0⅛	−0⅛	9.24
Rabobank 9 84 Fl	25	100	100½	+0⅛	+0⅛	8.82
Air France 11 84 FFr	120	97⅛	98⅛	−0⅛	0	11.47
Euratom 9⅞ 87 FFr	150	85⅛	86⅛	0	−0⅛	12.71
Finland 11 84 FFr	80	95⅛	96⅛	−0⅛	+0⅛	12.12
Finland 11⅛ 89 FFr	70	94⅛	95⅛	−0⅛	−0⅛	12.61
Gaz de France 11 84 FFr	150	97⅛	98⅛	0	−0⅛	11.54
Norway 9⅞ 84 FFr	200	89⅛	90⅛	0	0	12.46
Renault 9⅞ 85 FFr	100	88⅛	89⅛	0	+0⅛	12.69
Saint-Gobain 9⅞ 86 FFr	100	85⅛	86⅛	0	0	13.08
Solvay et Cie 9⅞ 87 FFr	125	83⅛	84⅛	−0⅛	0	13.18
Total Oil 9⅞ 87 FFr	150	82⅛	83⅛	−0⅛	−0⅛	13.05
EIB 11⅛ 91 £	25	87⅛	87⅞	0	−0⅛	13.69
Finance for Ind. 13 91 £	15	94⅛	94⅞	−0⅛	−0⅛	13.83
Fin. for Ind. 12⅛ 89 £	30	92	92⅛	−0⅛	−0⅛	13.95
Gen. Elec. Co. 12⅛ 89 £	50	92⅛	93	+0⅛	+0⅛	13.34
Indonesia 8⅛ 91 KD	7	†93⅛	94	0	0	9.60
Mitsubishi 7⅛ 84 KD	10	†95⅛	95⅞	0	0	8.67
Norges Kom. 7⅛ 89 KD	12	†93⅛	93⅞	0	0	8.90
Occidental 8⅛ 91 KD	7	†90⅛	90⅞	0	0	9.85
Akzo 9⅛ 87 LuxFr	500	96	96	0	0	10.10
Euratom 8 87 LuxFr	500	90⅛	91⅛	+0⅛	0	9.75
Oslo, City of 8 89 LuxFr	500	90⅛	91⅛	0	0	9.35
Volvo 9⅛ 87 LuxFr	500	90⅛	90⅞	0	0	10.00

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	0⅛	98⅛	100¼	26/4	15⅛	15.75
Banco Prov. BA 7⅛ 86	0⅛	97	97½	5/6	14⅛	14.91
Banco Urquijo 6 86	0⅛	97⅛	97⅞	21/3	13⅛	13.76
Bank of Ireland 5⅛ 89	†0⅛	96⅛	97⅛	21/2	15.63	15.15
Bank of Tokyo 5⅛ 89	†0⅛	98⅛	98⅛	25/1	16.19	16.46
Bergen Bk. A/S 6 89	†0⅛	98⅛	99⅛	29/2	14.31	14.83
Bque. Indo Suez 5⅛ 88	0⅛	97⅛	98⅛	11/1	11	11.21
BNP 5⅛ 91	0⅛	96⅛	97⅛	22/2	11.94	12.31
Citicorp O/S F. 5 94	†0⅛	98⅛	99⅛	8/3	14.44	14.60
Citicorp O/S F. 83	§0	99⅛	99⅛	23/2	15⅛	15.29
Citicorp O/S F. 84	†0	99⅛	99⅛	29/2	13⅛	13.71
Co-operative Bk. 6 86	0⅛	97⅛	98⅛	15/5	15.06	15.35
Creditanstalt 5½ 91	§0⅛	97⅛	98⅛	14/3	14⅛	15.18
CNT 5⅛ 86	§0⅛	99⅛	99⅛	16/4	15.13	15.28
GZB 5⅛ 89	†0⅛	98⅛	99⅛	1/2	16.19	16.35
Jugobanka 8 89	0⅛	94⅛	[illegible]	22/5	16	16.82
Ind. Bank Japan 5⅛ 87	0⅛	97⅛	97⅛	15/4	14⅛	14.63
LTCB Japan 5⅛ 88	0⅛	97⅛	98⅛	13/6	14⅛	14.55
LTCB Japan 5⅛ 89	0⅛	97⅛	98⅛	7/6	14.19	14.49
Mfrs. Han. O/S 5⅛ 94	†0⅛	98⅛	99	29/2	13.81	13.99
Nacional Fin. 6⅛ 86	0⅛	96⅛	97⅛	25/1	11⅛	11.86
Nat. West. 5⅛ 94	§0⅛	97⅛	97⅛	11/1	14.94	15.31
Nippon Cred. Bk 6⅛ 86	0⅛	96⅛	97⅛	12/1	10⅛	11.20
Royal Bk. Scot 5⅛ 94	§0⅛	98⅛	98⅛	11/1	14.94	15.15
Soc. C. de Bque. 6⅛ 87	0⅛	96⅛	96⅛	3/4	13⅛	13.73
Sogenal 5⅛ 89	§0⅛	96⅛	96⅛	11/7	10.81	11.20
Swedan 5⅛ 91	†0⅛	97⅛	97⅛	18/1	15	15.38
TVO Pwr. 9 91 (D-lock)	0⅛	97⅛	97⅛	24/5	15.31	15.71
Utd. Overseas Bk. 6 89	†0⅛	97	97⅛	29/12	12.94	13.31
Williams & Glyn 5⅛ 91	0⅛	96⅛	97⅛	14/3	13	13.42
Bq. E. d'Alg. 4⅛ 89 SF	0⅛	[illegible]	97	19/6	6.69	6.99

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅛ 89	10/79	145	97⅛	99⅛	+0⅛	−7.81
Alco Int. Fin. 9⅛ 94	1/80	40	91⅛	92⅛	−0⅛	14.69
Asahi Optical 7 94	11/79	605	92⅛	93⅛	+2⅛	5.42
Canon 6⅛ 94	8/79	570	103⅛	104⅛	+2	−8.34
Ciba-Geigy O/S F. 4 94	9/79	675	67⅛	68⅛	+0⅛	−1.48
Credit Suisse 4⅛ 93	10/79	1325	106	107⅛	−1	−2.28
Daiei Inc. 6⅛ 94	11/79	1020	96	97	+0⅛	5.22
Esselte 7⅛ 89	9/79	159	92⅛	94	−0⅛	−5.49
Honda Motor 5⅛ 89	5/79	632	104⅛	105⅛	+1⅛	−1.04
LPC Internatnl. 8 89	9/79	35	101⅛	102⅛	+1⅛	4.47
Meidensha Elec. 7 94	12/79	210	95	96	+0⅛	21.14
Mitsubishi Cp. 6⅛ 94	10/79	604	123	124⅛	−1⅛	9.66
Nippon Seiko 7⅛ 94	12/79	339	†91	91⅛	+1⅛	5.05
Nitto Elec. Ind. 6 94	7/79	[illegible]	87⅛	88⅛	+0⅛	19.56
Toshiba Cpn. 7⅛ 94	10/79	158	98	98⅛	+2⅛	5.56
Union Bk. Switz. 5 89	2/80	125	109	110⅛	−0⅛	7.60
Fujitsu 5 84 DM	7/79	475	101	102	+0⅛	21.13
Kansai Elec. 4 84 DM	4/79	1234	86⅛	87⅛	+0⅛	55.84
Tokyu Ld Cp 4 86 DM	4/79	493	80⅛	81⅛	+0⅛	59.29
Uny Co. 6⅛ 86 DM	11/79	1071	98⅛	99⅛	+0⅛	25.08

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Matsushita Electric to double capital spending

OSAKA — Matsushita Electric Industrial plans to more than double its capital outlays for plant and equipment in the 1980 business year started November 21, to Y50bn ($210m) from an estimated Y23bn in the previous business year.

The increased fixed investments will aim at expanding the company's production of video tape recorders, electric refrigerators and other electric home appliances, as well as magnetic tapes.

Matsushita spent an estimated Y70bn in the business year ended November 20 for research and development, and plans to spend a larger amount during the current business year to develop new products to match the changing needs of consumers, the company said.

Its capacity to produce home-use video tape recorders will increase to 95,000 sets a month in the middle of calendar 1980 from the present 70,000 sets.

The company will also expand the output of colour television sets by its U.S. subsidiary, Matsushita Industries Corporation, to about 60,000 sets a month in calendar 1980 from an estimated 50,000 sets in 1979, while its production of electronic cooking ranges will rise to 5,000/6,000 sets a month from 2,000/3,000 sets.

Reuter

Downturn at United Malacca

BY WONG SULONG IN KUALA LUMPUR

UNITED MALACCA ESTATES, the publicly-quoted group controlled by the family of the chairman of Sime Darby, Tun Tan Siew Sin, has reported a disappointing half year, owing to shortfalls in production.

Pre-tax profit for the six months ended October was 2.65m ringgit ($1.22m) or 38 per cent less than the 4.27m ringgit achieved previously.

The previous profit included a gain of 1.57m ringgit from the sale of Consolidated Plantation shares, but even if this amount was not included, the interim results of the current year would still be 2 per cent lower than the comparable previous half.

According to Tun Tan, rubber and oil palm production for the current year is expected to be 2.5 per cent and 3 per cent respectively below the budgetted figures.

The group is still awaiting approval from the Malacca State Government for building an oil palm mill, a project which is expected to contribute substantially to profitability.

United Malacca is maintaining its interim dividend of 8 per cent.

Malayan Cement Berhad, a member of the Blue Circle Group, has reported that its pre-tax profits for the year ended October was 18 per cent higher at 8.28m ringgit. This result comes after several years of depressed profits.

For the first time, this year's profit included a dividend of 2m ringgits from its wholly-owned Singapore subsidiary, Cement Marketing Company.

The outlook for the group appears to be encouraging, after the Malaysian Government's approval last August of a hefty price increase for cement, although the group said the rise came too late to have any significant effect on the 1979 results.

A 12.5 per cent dividend is declared making 22.5 per cent for the year—the same as previously.

Israeli bank to distribute new shares

BY L. DANIEL IN TEL AVIV

DISTRIBUTION OF new shares at the rate of 40 per cent was decided upon at extraordinary general meetings of Israel Discount Bank and of its holding company, Israel Discount Bank Holding (IDBH).

Stockholders will receive shares of the same class now held. Holders of convertible preference shares and capital note options will receive the benefit of the distribution in the form of ordinary shares upon conversion of the preference shares and options.

Allocation will take place on February 1, 1980, to holders of record at the close of business on January 18, 1980. Shares will be traded on the Tel Aviv exchange ex-bonus from January 20.

Following distribution of the new shares, holders of the IDBH preference shares will receive, upon conversion, 4.4625 ordinary shares instead of 3.1875 at present, and those of Preference "A" shares 5.8333 ordinary—4.1667 at present.

The meetings also decided to increase the authorised share capital of IDBH by I£1bn and of Israel Discount Bank by I£500m.

Tokyo eases stocks curbs

TOKYO — The Tokyo Stock Exchange announced that it has eased margin trading curbs on shares of Sanko Steamship, Japan Metals and Chemicals and Japan Line with effect from yesterday.

Reuter

Singapore listing for Sime Darby

SINGAPORE — The Stock Exchange of Singapore said that it has admitted Sime Darby Bhd and Consolidated Plantations Bhd to its Official List.

Trading in Sime's 425.1m 50 Malaysian cent shares and 456.8m Consolidated Plantation shares and 3.4m warrants of 50 cents each will start today.

Simultaneously the Kuala Lumpur Stock Exchange said that Sime Darby Bhd shares and Consolidated Plantations Bhd shares and warrants will be listed from the start of trading today.

Both companies recently completed transfer to domicile to Malaysia from the UK and a change to "Berhad" from "Limited" status.

Citibank strengthens Asian activities

TOKYO — Citibank's Asian representatives are being given more discretion to make business decisions on the spot under a reorganisation that takes effect next week.

"Except for our annual budget, nothing will have to be passed on to New York for approval," said Mr. Richard L. Huber, the bank's senior officer in Japan and the head of a newly-created North and East Asia division. The unit will be in charge of institutional banking activities in Japan, South Korea, Guam, Hong Kong, the Philippines, China and Taiwan. The bank also has a division covering Australasia and the rest of Southeast Asia.

The overhaul is intended to shorten Citibank's chain of command, particularly in institutional lending, which comprises the major segment of its Asian business. While the full extent of the changes has yet to be disclosed, the moves may make Citibank more competitive in the expanding Asian market.

Citibank's changes in Asia somewhat parallel decentralisation moves by its strongest U.S. rival, Bank of America.

AP-DJ

NZ Steel expansion plan

By Dai Hayward in Wellington

NEW ZEALAND Steel Ltd. is having talks with the government regarding the setting up of ferro-silicon industries worth $NZ 100m (U.S.$ 98.67m). NZ Steel wants special long-term pricing agreement on government supplied electricity before going ahead.

The industry is scheduled for Southland which is rich in ferro-silicon gravel, the ferro silicon would have 25 per cent iron and 75 per cent silicon content. The export of up to 50,000 tonnes annually is forecast.

Saudi-Italian link

Al Rajhi, a leading Saudi Arabian holding group, has taken over a 50.6 per cent interest in Dal Vera Spa, of Conegliano, Veneto, through an investment of L12.3bn ($15.2m), the company disclosed yesterday, reports AP-DJ from Milan.

SAN MIGUEL CORPORATION

A thirst for dollar funding

BY PHILIP BOWRING, RECENTLY IN MANILA

Doubts have been expressed by business and Philippine Government interests regarding the large unguaranteed dollar loan arranged by San Miguel Corporation. The group has a good profit record but critics claim this must be measured against a background of high inflation

THE NAME may not be as well known to international beer fanciers as Guinness or Carlsberg. But if you get thirsty over a business deal in Hong Kong, on trek in the New Guinea highlands, waiting in a Manila traffic jam, or even on the Costa del Sol, the chances are that there will be a San Miguel beer close at hand.

Beer is the main business of San Miguel Corporation, a vertically integrated food and drink operation which is the largest manufacturing enterprise in the Philippines. International bankers judge it also to be very good business.

San Miguel has just arranged a US$ 300m 12-year syndicated loan on terms that are at least as good as those being obtained by the Government of the Philippines. Interest is 0.75 per cent over the London inter-bank offered rate (Libor) for the first six years and 0.875 per cent for the second six. There is a five-year grace period, and the loan not guaranteed by any outside parties. It's by far the biggest unguaranteed dollar loan ever raised by a non-Government Philippine company, and among the largest ever made in Asian developing countries.

The syndicate is led by Ba Asia, a Bank of America subsidiary. There are six co-managers, including units of Lloyds Bank and Dresdner Bank. The loan is not without its controversial aspects at a time when the Philippines is facing severe balance of payments problems, which are forcing it to lean heavily on the International Monetary Fund. Firstly the loan has been structured to avoid an IMF-imposed annual ceiling on new commercial borrowing — currently US$975m. The tenure is for fractionally over 12 years to take it outside the IMF ceiling which applies only to loans of between one and 12 years.

This is not the first time that Philippine borrowers have found a way around the ceiling. But previous instances have not been so large, and have also been related to projects which will generate foreign exchange. This loan will be entirely for San Miguel's domestic operations in the Philippines which create more imports than exports. Overseas operations, held through San Miguel International, the group's subsidiary in Hong Kong, are self-financing. They consist of breweries in Indonesia and Papua New Guinea, 56 per cent of San Miguel Hong Kong, the Colony's sole and very profitable brewery, and an associate company in Spain which has three breweries, including one in Malaga.

The new loan has also drawn criticism on the grounds that San Miguel is borrowing scarce dollars to finance growth which it ought to be able to fund from retentions, equity issues and peso borrowings.

It already has large dollar borrowings—a U.S. $100m seven-year loan arranged in 1978 and a ten year U.S.$130m one arranged last year. Not all of these have been drawn but San Miguel's debt-to-equity ratio has been rising steadily. It was under one-to-one at the end of last year, when shareholders funds were 1.15bn pesos ($157m). The ratio is now thought to be over 1.30 to one despite a rights issue earlier this year which raised 200m pesos. Local peso borrowings form only a small part of debt.

San Miguel is building a new brewery in the Philippines costing around $50m, and generally expanding its soft drinks and processed foods and related activities. But the $300m borrowing is not associated with any specific major new ventures. It is to take care of most additional external capital needs for the next three and a half years—the period over which the loan will be drawn down. The company aims not to let the debt-equity ratio rise above 1.5 to one. Bankers are happy enough lending even this big sum to a company in a stable industry and with a good growth and management record.

Profits have risen every year but one for the past decade, in recent years averaging 25 per cent annual growth.

Last year, profits climbed 34 per cent to 303m pesos and rose a further 20 per cent in the first half of 1979.

However, it is clear that the company's needs are as much for additional working capital as for capital to finance plant expansion, and its dollar borrowings do not appear related to capital goods imports, but towards general fixed asset acquisition.

Retained earnings last year were 217m pesos, rather less than the 232m pesos increase in inventories and accounts receivable. Book depreciation added a further 73m pesos to cash flow but, according to the management, this was 45m pesos short of realistic replacement cost depreciation.

Critics argue that though San Miguel's profit performance looks satisfactory enough, it is inadequate for a company in an expanding economy and in an inflationary environment. Philippines inflation, running at close to 20 per cent, demands big annual increases in working capital, eating up internally generated funds. The critics suggest that San Miguel is in fact rather typical of the Philippines economy as a whole, with ambitious capital investment goals but very inadequate domestic savings.

San Miguel's size and reputation makes it easier to cope with the resultant problems. It can borrow dollars long term. Long-term peso funds are harder to find — again because of inadequate savings — and normally are very much more expensive than dollars.

Some of the Government's own projects to set up capital intensive, import substituting basic industries are currently being held back specifically by the IMF's borrowing restraints. Critics of the San Miguel loan within the Government, as well as outside, are asking why a non-essential, non-export industry should be allowed by the Central Bank to borrow scarce dollars other than for essential equipment imports.

Europe leads investment in Latin America

BY JOHN WICKS IN ZURICH

CONTINENTAL EUROPE has become the main source of new investment in Latin America, according to a study prepared by Professor Bernard Lietaer for the Brussels-based European Centre for Study and Information on Multinational Corporations (ECSIM). Taken on a cumulative basis, Europe has overtaken the United States, says the report, especially in Brazil, Argentina and Chile.

In the case of Brazil, the European share of total foreign investment is said to have risen from 31 per cent in 1973 to 43 per cent in 1976, the comparable U.S. stake declining from 48 to 32 per cent.

The ECSIM study points to the concentration on investments in the manufacturing sector. Examples given of the "veritable boom" in this field include the foreign control of the Brazilian car industry, the 82 per cent foreign stake in Argentine engineering equipment and that of 67 per cent in the chemical industry assets in Mexico and Peru. Some 80 per cent of all foreign investment in the manufacturing sector in Latin America is concentrated in Brazil, Mexico, Argentina and Venezuela.

Closer co-operation between Europe and Latin America is seen as not only mutually profitable but also the solution in the 1980s to raw material supply problems for Europe and the source of industrial technology for Latin America.

However the study warns that European companies will have to overcome the "particularly difficult transition period" of the coming decade, and this with investments which have not yet been amortised. The region, says Professor Lietaer, will change from a system of import substitution to other strategies.

Companies and Markets

WORLD STOCK MARKETS

No clear early Wall St. trend

PRECIOUS METAL issues and special situation stocks continued to attract most of the buying attention on Wall Street in moderate early activity yesterday, with the market in general making a mixed to easier showing at mid-session.

The Dow Jones Industrial Average was 0.17 off at 837.97 at 1 pm and the NYSE All Common index was also a shade easier at $61.81, while falls outnumbered rises by a seven-to-five margin. Turnover picked up to 22.49m shares from Wednesday's low 1 pm figure of 14.97m.

Surging gold prices, interest rate worries and a weak dollar continued to discourage investors in general, analysts said, adding that the situation in Afghanistan could affect sentiment but does not so far appear to have done so.

Among Precious Metals, ASA gained ¾ to $38¾ and Benguet ¼ to $5¼. Handy and Harman picked up $4 to $34¼.

Sunshine Mining rose 1½ to $29. Arab Investors Group SA said it has bought 1.03m shares, or 19.4 per cent of the company's stock.

Fairmont Foods, which is considering a proposal to be acquired by American Financial, advanced 1¼ to $14½.

Stone Container declined $1 to $25¼. The company said it could not account for the recent activity in its stock, and added that it has made no substantial progress to date in its search for an attractive acquisition proposal for the company.

THE AMERICAN SE MARKET VALUE Index managed a rise of 1.10 to 244.25 at 1 pm. Volume 3.75m shares (2.27m).

Dome Petroleum gained 1¼ to $44¾, Emerson Radio 1¾ to $15¾ and Resorts International "A" 1¾ to $33¼.

Canada

Gold shares featured strongly in firmer-inclined markets yesterday morning in generally busy trading. The Toronto Composite Index put on 7.5 to 1,794.8 at noon, while the Gold shares index climber 113.7 to 2,539.5, Oil and Gas 13.8 to 3,725.5 and Metals and Minerals 19.4 to 1,726.2.

Closing prices for North America were not available for this edition.

Tokyo

Stocks presented a mixed appearance after reduced but fairly active trading. Oils and some Trading Houses recorded fresh falls on further profit-taking, but export-orientated issues and a number of speculatives moved ahead on selective buying.

The Nikkei-Dow Jones Average eased 2.40 to 6,528.83 and declines on the First Market section narrowly led gains by 323 to 293, but the Tokyo SE index finished 0.59 up at 456.74. Volume contracted to 400m shares from Wednesday's 680m.

Nippon Oil fell Y50 to Y1,620, Teikoku Oil Y25 to Y905, Maruzen Oil Y10 to Y332 and Mitsubishi Y10 to Y680.

Among export-related issues, Honda Motor improved Y10 to Y670 following the signing of its collaboration agreement with BL. Toyota Motor advanced Y23 to Y833, Soni Y80 to Y1,880. TDK Electronics also Y80 to Y1,860, Matsushita Electric Y13 to Y734, Canon Y6 to Y686 and Fuji Photo Film Y22 to Y580.

Elsewhere, Yokogawa Bridgeworks rose Y30 to Y665 and Tokio Marine Y15 to Y670.

Australia

Markets were predominantly firmer, although business was thin. The Sydney All Ordinaries index climbed 5.38 to a new record high of 727.62, while the Metals and Minerals index advanced 52.44 to 4,386.59.

The break above $500 an ounce in the New York Bullion price set Gold Mining issues up for a round of buying. Central Norseman rose 20 cents to A$5.60, and Poseidon 13 cents to A$2.15, while Gold Mines Kalgurli moved ahead 25 cents to A$3.55.

On hopes of a good December-quarter report from the Ashton diamond venture partners, CRA advanced 12 cents to A$4.82, Ashton Mining 15 cents to A$3.00 and Northern Mining 10 cents to A$3.10.

Stocks with coal interests were mainly in demand, with White Industries rising 76 cents to A$6.20 on take-over rumours, Mareeba put on 20 cents to A$1.50, CSR 7 cents to A$4.72 and Utah 5 cents to A$3.55. Oakbridge, however, with bid talk subsiding, relinquished 3 cents to A$3.75 after the recent upsurge.

Oils were also favoured, Weeks Petroleum adding 20 cents at A$7.00, Santos 20 cents at A$7.20 and Nagellan 15 cents at A$3.50.

Base Metal stocks hardened, while elsewhere, National Bank firmed 10 cents to A$2.80.

Paris

The soaring price of gold and a report that the French Government is to float an FFr 8bn State Loan in the second half of January generally pushed shares down in relatively thin trading.

Turnover on the Paris bullion market jumped to FFr 27.3m yesterday from Wednesday's FFr 17.9m, partly explaining the shift away from equities, market observers said. The price of the kilo-ingot on the Paris open gold market surged 7.7 per cent to FFr 70,000 from Wednesday's FFr 64,975.

News that France's Gross Domestic Product had risen by 1.8 per cent in the third-quarter of this year came too late in the day to affect the market.

Apart from mainly firm Banks and Metals and Mixed Stores, all sectors were in easier vein.

Germany

Bourse prices displayed an easier tendency in very light trading, with soaring gold prices and tight money rates contributing to the seasonal inactivity on the stock market. The Commerzbank index slipped 1.6 to 713.6.

Daimler fell DM 4.50 in Motors while BMW lost DM 1.50 and Volkswagen DM 1.10. Brokers said stock analysts have been saying lately that they would not favour Motor shares in 1980.

In the Engineering sector Linde receded DM 2.50 and MAN DM 1.00, while in Steels, Thyssen shed DM 1.30 but Krupp put on DM 2.

Public Authority Bonds were mixed, with some gaining up to 20 pfennigs and others losing up to 15 pfennigs. The Bundesbank bought DM 700,000 nominal paper. Mark Foreign Loans were steady.

Johannesburg

Gold shares were sharply higher on the Bullion price fresh upsurge. Kloof rose R3 to R31.00, while Randfontein and Vaal Reefs added R3.00 apiece to R65.00 and R70.00 respectively.

Mining Financials shadowed gold producers, with Anglos gaining R1.00 to R14.40, Gencor R2.25 to R19.25 and Union R1 to R14.40. Platinums rose on record free market prices, Rustenburg climbing 52 cents to R5.12. Industrials made headway in places.

Hong Kong

The market firmed in the morning in good two-way trading, with the Hang Seng index showing a rise of nearly 10 points at mid-day. However profit-taking eroded gains during the afternoon, leaving stocks closing on a mixed note and the Hang Seng index a net 0.67 down at 839.62.

HK Bank gained 20 cents to HK$18.00, but Hutchison Whampoa lost 35 cents to HK$9.30 and Jardine Matheson 20 cents to HK$16.50.

Among Properties, Cheung Kong shed 30 cents to HK$20.30 and Swire Properties 10 cents to HK$5.15.

Elsewhere, China Light put on 20 cents to HK$20.00, but Green Island declined HK$1.00 to HK$52.00.

Indices

NEW YORK—DOW JONES

	Dec. 26	Dec. 24	Dec. 21	Dec. 20	Dec. 19	Dec. 18	1979 High	1979 Low	Since Complitn High	Since Complitn Low
♦Industr'ls	838.14	838.19	838.91	843.34	838.91	838.65	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	73.76	74.44	74.81	75.14	75.00	76.22	80.10 (15/8)	73.78 (28/12)	—	—
Transport	252.67	255.94	254.53	256.04	255.60	252.48	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	107.86	107.61	107.34	108.56	108.17	109.51	109.74 (17/12)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	26,040	19,160	36,280	40,460	41,900	43,560	—	—	—	—

♦Day's high 843.09 low 835.79

Ind. div. yield %	Dec. 14	Dec. 7	Nov. 30	Year ago (approx)
	6.00	6.07	6.13	6.02

STANDARD AND POORS

	Dec. 26	Dec. 24	Dec. 21	Dec. 20	Dec. 19	Dec. 18	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	120.83	120.70	120.59	121.39	121.36	121.51	124.49 (15/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	107.78	107.66	107.59	108.26	108.20	108.30	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Dec. 19	Dec. 12	Dec. 5	Year ago (approx)
Ind. div. yield %	5.24	5.32	5.26	5.21
Ind. P/E Ratio	7.70	7.65	7.62	8.55
Lon. Gov. Bond Yield	10.09	10.21	9.95	8.95

N.Y.S.E. ALL COMMON

Dec. 26	Dec. 24	Dec. 21	Dec. 20	1979 High	1979 Low
61.82	71.74	61.73	62.08	62.88 (21/9)	53.88 (27/3)

Rises and Falls	Dec. 26	Dec. 24	Dec. 21
Issues Traded	1,919	1,877	1,944
Rises	732	697	585
Falls	709	727	933
Unchanged	478	453	426
New Highs	44	34	—
New Lows	45	31	—

MONTREAL

	Dec. 26	Dec. 24	Dec. 21	Dec. 20	1979 High	1979 Low
Industrial	(c)	328.98	329.22	328.17	352.12 (5/10)	219.19 (2/1)
Combined	(c)	310.48	310.12	310.40	314.36 (5/10)	225.80 (2/1)
TORONTO Composite¶	(c)	1787.3	1785.4	1787.9	1804.71 (5/10)	1575.2 (2/1)

	Dec. 27	Dec. 26	Dec. 24	Dec. 21	1979 High	1979 Low
AUSTRALIA						
Sydney All Ord. (1956/59)	727.62	(c)	722.24	721.08	727.62 (27/12)	545.72 (2/1)
Metals & Minls (1956/59)	4386.59	(c)	4334.15	4303.56	4386.59 (27/12)	2587.34 (2/1)
AUSTRIA						
Credit Aktien (2/1/62)	88.18	(c)	(c)	88.17	88.28 (20/12)	81.55 (2/8)
BELGIUM						
Belgian SE (31/12/63)	103.27	(c)	102.77	102.84	108.47 (5/10)	99.60 (3/1)
DENMARK						
Copenhagen SE (1/1/73)	97.81	(c)	(c)	98.84	97.46 (25/7)	88.48 (14/12)
FRANCE						
CAC General (29/12/61)	103.8	104.2	(c)	104.00	113.1 (5/10)	82.4 (16/2)
Ind Tendance (29/12/78)	109.2	110.8	(c)	109.80	122.8 (4/10)	92.7 (22/2)
GERMANY						
FAZ-Aktien (31/12/58)	225.7	(c)	(c)	226.02	265.50 (16/1)	225.75 (7/11)
Commerzbank(Dec.1953)	713.6	(c)	(c)	715.40	838.60 (16/1)	704.50 (7/11)
HOLLAND						
ANP-CBS General (1970)	84.2	(c)	(c)	85.60	94.2 (24/1)	82.9 (13/12)
ANP-CBS Indust. (1970)	67.8	(c)	(c)	66.70	85.8 (24/1)	65.7 (13/12)
HONG KONG						
Hang Seng Bank(31/7/64)	839.62	(c)	840.29	831.01	840.29 (24/12)	493.63 (2/1)
ITALY						
Banca Comm. Ital (1972)	81.93	(c)	(c)	81.27	95.85 (4/10)	68.56 (2/1)
JAPAN						
Dow Average (16/5/49)	6528.83	6531.23	6522.87	6585.94	6590.69 (29/9)	5825.87 (10/4)
Tokyo New SE (4/1/68)	456.74	456.51	456.71	457.41	465.24 (29/9)	435.13 (13/7)
NORWAY						
Oslo SE (1/1/72)	137.45	(c)	(c)	136.27	142.22 (18/12)	74.46 (10/1)
SINGAPORE						
Straits Times (1966)	431.01	430.89	431.54	431.61	432.14 (20/12)	346.34 (26/2)
SOUTH AFRICA						
Gold (1958)	(u)	(c)	(c)	—	524.5 (18/12)	228.40 (17/4)
Industrial (1958)	(u)	(c)	(c)	—	442.9 (20/12)	270.50 (2/1)
SPAIN						
Madrid SE (29/12/78)	82.68	81.81	(c)	80.76	111.86 (8/8)	80.60 (20/12)
SWEDEN						
Jacobson & P. (1/1/58)	558.77	(c)	(c)	551.04	401.64 (6/2)	531.57 (24/8)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	301.6	(c)	(c)	301.80	329.10 (2/5)	294.00 (5/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Caesar's World	484,000	19	+1¼
Burlington Inds.	415,600	17⅛	+¾
Occidental Petm.	283,900	27⅝	+1⅞
Benguet	265,400	5	+⅜
Pan-Am Airways	244,200	6⅞	+⅛
Seaboard Coast	235,400	29½	−1
Williams Co.	221,800	30⅞	−½
Arlen Realty	217,300	3⅝	−⅛
Bally Mfg.	214,200	37½	+1½
Genl. Pub. Util.	211,000	7⅝	+⅛

NEW YORK

CANADA

BELGIUM (continued)

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND

ITALY

NORWAY

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

Financial Rand US$0.85 (Discount of 26½%)

BRAZIL

Spanish prices, Page 12

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

COMMODITIES and AGRICULTURE

Coffee prices fall as Brazil boosts crop estimates

BY RICHARD MOONEY

COFFEE FUTURES prices fell sharply on the London market yesterday encouraged by the recent decline in New York, the continued strength of sterling against the dollar and increased Brazilian crop estimates.

The March delivery position on the London futures market fell £54 to £1,605 a tonne but *traders said this was relatively* modest compared with the New York market's £60 aggregate *fall on Christmas Eve and* Boxing Day when the London market was closed. They noted, moreover, that the sterling decline might have been expected to be greater than in dollar terms, in view of the rise in the value of the pound.

March coffee slipped £56 a tonne soon after the opening before recovering somewhat around lunchtime. Renewed selling pushed the price down again in the afternoon, following a further £20 a tonne fall in New York.

The New York decline was mainly due to the raising of deposit margins on the March *position in an attempt to force* the Bogota producer group, whose buying has played a large part in keeping prices up recently, to close out some of its "open" positions. A further influence was the announcement by the Brazilian Coffee Institute (IBC) of higher crop estimates for the 1979-80 and 1980-81 seasons.

The IBC raised its *1979-80* estimate to 21.6m bags (60 kilos each) from 19.5m and its 1980-81 forecast to 21.2m bags from 19m.

Meanwhile dealers noted that the Bogota group support is losing some of its impact as the coffee year moves towards its weakest phase. Most of the world's major crops from West Africa and Central and South America become available for export in the first quarter of the calendar year, switching the market quite suddenly from relative tightness to oversupply.

With world supply estimated at around 70m bags, against expected consumption of 58m bags in the next marketing year, surplus availability of the order of 25-30m bags is anticipated in the first quarter. This year total supplies were estimated to exceed demand by about 8m bags.

The dealers noted that London values have held up remarkably well in recent weeks but warned that the producers may have difficulty in supporting the market effectively in the months to come.

● Guatemala has closed its frontiers to the import of all agricultural goods from El Salvador because of the outbreak of coffee rust there, Agriculture Minister Edgard Ponciano said, reports Reuter.

Iran buying lifts sugar market

By Richard Mooney

SPECULATION THAT Iran may have bought as much as 100,000 tonnes of white sugar at its buying tender last *weekend prompted a substantial* rise on the world market yesterday.

In the morning the London daily raw sugar price was fixed £6 up at £182 a tonne while on the London futures market the May position ended the day £3.35 higher at £188.80 a tonne.

The rise was also encouraged early on by fears that cyclone Claudette may have caused serious damage to growing and stored sugar in Mauritius, though dealers later said they had discounted this factor.

The Mauritius Chamber of Agriculture said the 160 mph winds could have done serious damage to the young 1980 crop cane but that harvesting of the 1979 crop — estimated at 690,000-695,000 tonnes — was virtually completed.

The Chamber warned, however, that some of the 300,000 tonnes of 1979 crop sugar stored in warehouses had been damaged. One local newspaper put the damage to this sugar at 30 per cent but others said this figure was too high.

Later reports said the growing cane had weathered the storm well. It was estimated that total damage could be around 30,000 tonnes, some of which would probably be reprocessed.

In Paris meanwhile the French Sugar Market Intervention and Regularisation Fund said France's 1979-80 sugar beet harvest is now expected to reach 3.93-3.93m tonnes. This would be close to the largest crop ever of 3,927,000 tonnes in 1977-78.

E. Germany sells £25m of silver

Leslie Colitt writes from Berlin: East Germany is cashing in on the West's speculative rise in precious metals by selling large quantities of silver on the LME.

In the first 10 months of this year East Germany sold a record £25m worth of silver in London, about a quarter of its total exports to the UK.

UK FARMING

Watching the weather

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

UNTIL THE frosts of the last few days, the autumn of 1979 had behaved impeccably. In fact, the whole of the farming year since early June has been one of the best I can remember. There was plenty of grass, cereals yielded very well, the livestock throve, and I managed *to drill 85 per cent of next* year's harvest.

This early planting makes *life much easier. I used, at one* time, to have to plant several hundred acres of spring barley, and as soon as the land began to dry out after New Year's Day was nagging my men to get on with it. The ideal date was always said to be March 15, but with no guarantee of fine weather then, it was essential to start working the land as soon as possible. I have started planting at all dates between January 6 and April 14, and can truthfully say that the time of sowing made little difference to the eventual yield.

Good seed bed

The essential factor was the *state of the land at the time of* planting. Spring barley likes a good seed bed, and, if it is *drilled in mud, it comes to no* good. So, although thanks to winter barley I shall have less *than 100 acres to plant next* spring, I shall watch for the land to be in the right state *just as keenly as ever.*

But just because most of the grain is in the ground and looking well, it does not mean that I can relax until next harvest. Like a hypochondriac in a chemist's shop, I am on the lookout for a variety of ills which can affect the crops, even in the depths of winter. This is not the place to describe them, but it does seem that no *sooner is one problem dealt with* another rears its ugly head.

There is, of course, a whole spectrum of chemicals designed to cure almost everything. In fact, so many are the chemicals and so extensive their promotion that I wonder if the diseases follow the chemicals instead of the other way round. Although my farm and most of *the district look well,* conscientious farmers can spend any amount of time on their *knees looking for trouble at the* grass roots.

Anyone with a slight *tendency to neurosis can always* find plenty to worry about. A yellowing of the leaves could mean mildew, a hard frost, or physical damage. Shredded leaf could mean slugs, or *possibly birds; larks do a lot of* damage. Some infections are indistinguishable to the naked *eye. But samples can be* taken for laboratory tests. It's all very confusing. Farming was *much more enjoyable when all* you could do was your best and nature did the rest.

The awful thing now is that a farmer just cannot blame the season for a poor result. He has far more control than previously, simply because of the chemicals now provided. I am certain, though, that the season has the decisive influence in the end. This was brought *home to me over the past two* years when my wheat crops were very good indeed.

After a *poorish start, both* summers were cool, and the wheat harvest was late, and I *am sure that this enabled the* plant to mature slowly and not die off, so the grain had more time to fill. *This experience* runs contrary to traditional lore that a hot summer meant a bumper wheat crop. In *1976,* the hottest summer I can ever have experienced, the wheat harvest was quite the worst.

Poor trade

The autumn this year has been very easy on the sheep. *Only on Christmas Day did I* have to start feeding a few bales of hay to the ewes, and then *only because a very hard white* frost was killing the grass.

There has been a good growth *of grass through the last few* months, and, although it is not long enough to keep cattle *satisfied, my ewes have been* enjoying it and look very well. This has saved a lot of hay and *is a valuable bonus because hay* is now worth some £80 a tonne, and at that price not worth *feeding unless absolutely* necessary.

I have enough hay to see me through the winter, but in present circumstances giving it to the sheep would be rather like feeding gold dust into a machine in order to produce copper coins. The problem is *that the lambs are a poor trade,* and at the moment the outlook is not too good. Their prices *today are less than they were at* this time last year, and the prospects for next summer, when my own lambs *will* be coming to market, don't look very bright.

According to the Meat and Livestock Commission, total supplies of mutton and lamb are likely to be slightly higher in 1980 than in 1979, unless imports can be reduced and exports increased. In the present state of the world meat market, particularly in France, there does not seem to be much chance of that happening.

The fact is that there seems to be a switch away from both lamb and beef towards fresh pork and chicken. This has not yet surfaced in the consumption figures, but there does seem to be a greater interest and certainly a higher price from pork. The same trend is discernible in the rest of the Community, where intervention buying for beef is rising significantly. I believe sheep farming is going to have another difficult year economically, simply because in a time of recession the customer turns to pork and poultry.

Precious metals boost copper

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES on the London Metal Exchange opened on a firm note yesterday after the holiday period, boosted by *the rise to record levels in the* gold, silver and platinum markets. But the cash price for *copper wirebars came under* pressure as a result of more offerings relieved the scarcity *of nearby supplies which had* driven cash wirebars to a premium over the three months *quotation. By the close, cash* wirebars were £12 down at £1,004.5 a tonne, while the three months *price ended £2 higher.*

A better guide to the underlying trend was provided by cathodes, where there were modest rises for both cash and three months. In the U.S. Asarco raised its domestic copper selling price by 1 cent to $1.06 cents.

As expected, copper stocks held in LME warehouses showed a marginal decline, falling by 100 tonnes and reducing total *holdings to 127,050 tonnes.*

Prices of other base metals were depressed mainly by the *rise in the value of sterling.* Cash lead dropped by £10.5 to £525.5 a tonne, in spite of an *unexpectedly large fall in warehouse* stocks — down by 950 to 17,300 tonnes.

Cash tin lost £85 to £7,470 a tonne against the higher trend in the Penang market over the *holiday where the Straits tin* price gained $M11 to $M2,122 a picul (133.3 lbs). LME tin stocks *fell again, by 90 to 1,410 tonnes.*

Zinc stock were 50 tonnes lower at 42,600 tonnes. However aluminium holdings rose by 3,900 to 14,600 tonnes and nickel by 594 to 6,036 tonnes.

LME silver stocks rose by 1,610,000 ounces to a total of 13,100,000 ounces. Prices on the market surged to new peaks *following the trend in gold and* continued fears about the Middle East political situation, *as well as the impact of the* further oil price increases on the value of the dollar.

The cash price closed at 1,227.5p an ounce, a rise of 173.5 on Friday's close. Some *profit-taking sales brought the* market back from even higher levels reached in the morning, *but prices moved up again in* late trading following reports of further troubles in Iran and *Afghanistan.*

Free market platinum and palladium prices also jumped to record levels. On the London market platinum was marked up £18.25 to £311.45 ($700) a

Gloomy outlook for farmers

BY ROBIN REEVES, WELSH CORRESPONDENT

THE AGRICULTURE industry's prospects for 1980 appear particularly gloomy, according to Mr. T. Myrddin Evans, president of the Farmers' Union of Wales.

In an end-of-year message, Mr. Evans said in spite of the recent devaluation of the Green Pound, the third during 1979, the farming industry was losing the race against inflation and increasing costs of production and, equally important, was being increasingly subjected to pressures and *discriminatory* measures from the EEC.

He warned that agriculture, *like other industries, was faced* with an economic recession which would be exacerbated by further oil price increases.

The economy generally would be characterised by negligible economic growth, increasing unemployment and high rates of inflation and interest.

"I appreciate that agriculture cannot be isolated from the problems facing this country, and that the current economic situation is vitally affecting other industries. Nevertheless, our approach has always been established on the premise that an expanding and efficient agricultural industry is in the national interest." Mr. Evans said.

● The new British Standards Institute code of practice for *farm building design could put* an extra £5,000 on a new 100-cow dairy unit, the Farmers' *Union of Wales has claimed.*

The new code, which comes into effect on January 1, lays down that a farm building must be classified for a specific purpose and the building standard must take account of the level of human occupancy during use and design life, ranging from two to 50 years.

The union says that although the code *will undoubtedly result* in better buildings, it is concerned that the new standard will also escalate costs and the farmer will be more restricted in the use of new buildings.

The new code is not obligatory but will apply to most new *farm buildings in practice. This* is because the new standard must be adhered to in buildings *qualifying for Government grant* and at least 75 per cent of new farm buildings are grant-aided.

U.S. beef import curb attacked

WELLINGTON — New Zealand Prime Minister, Mr. Robert Muldoon has warned a recent move by the U.S. Congress to regulate beef imports would create difficulties for his country, and urged President Carter to veto the legislation.

"The effect upon New Zealand of the Congressional *proposals, if they become law,* would be to impose considerable difficulties upon a small but *important ally of the U.S., with* an economy which depends heavily upon agricultural *exports for its survival,"* Mr. Muldoon said.

The U.S. House of Representatives *last month* approved a Bill which would reduce beef imports when domestic supplies *were high, and would limit the* President's authority to suspend import quotas.

Guyana sugar and rice below target

GUYANA'S MAIN agricultural export commodities, sugar and rice, are both expected to fall *short of targets which were revised* downwards during the year.

The shortfalls, however, are not expected to affect the country's markets abroad.

The rice crop has closed for the year at 136,000 tons, which is 46,000 tons below the output last year, considerably below the 200,000 tons target orginally set for this year, and down on the revised target of 147,000 tons.

The target set for next year is a record 250,000 tons.

In the case of sugar, the industry is trying to reach a target of 320,000 tons, revised from 360,000 tons during the year. However, production to date is only about 290,000 tons and

The industry is hoping to produce 360,000 tons next year. Last year's output was 324,000 tons.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—*Unsteady on the London Metal Exchange in quiet trading, where the main feature was the development of contango.* Forward metal initially moved from £1,015 to £1,020 but could *not maintain this level and spent most of the day trading around £1,012.* As [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars	£	£	£	£
Cash	1006-7	—11	1004-5	—12
3 months	1013.4	+2	1013-5	+2
Settlem't	1007	—10	—	......
Cathodes				
Cash	991-3	+7.5	981-5	+7.5
3 months	998.9	+7.5	995-7	+5
Settlem't	985	+8	—	......
U.S. Prod	—	......	103-107	......

TIN—*Lost ground, affected by the higher pound and U.S. selling against hedge intake.* After a rise in the East, forward metal started at £7,360 and fell during the day to a close on the Kerb of £7,280. Turnover 1,290 tonnes.

Morning: Standard cash £7,570, 60, three months £7,360, 40, 50, 40, 35. Kerb: Standard three months £7,350. Afternoon: Standard cash £7,480, three months £7,320, 25, 20, 10, 20, 7,300, 7,290, 85, 80. Kerb: Standard three months £7,280.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7560-70	+10	7460-80	—85
3 months	7350-60	—30	7275-85	—85
Settlem't	7570	+10	—	......
Standard				
Cash	7560-70	+10	7460-80	—85
3 months	7350-60	—30	7275-85	—85
Settlem't	7570	+10	—	......
Straits E.	[illegible]	[illegible]	—	......
NewYork				

LEAD—*Declined throughout the day from a start for forward metal of £520,* influenced by the movements in copper and the rise of the pound. The backwardation narrowed to nothing. [illegible]

Morning: Three months £522, 21, 20, 19, 18, 17. Kerb: Three months £517. Afternoon: Three months £517, 16, 13, 12, 13. Kerb: Three months £511, 10, 9.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	531-3	—4	524-7	—10.5
3 months	517-8	—1	512-5	—6
S'ment	533	—4	—	......
U.S. Spot	—	......	*57.59	......

ZINC—*Easier, following other metals and also affected by the performance of the pound.* In moderately active trading, forward metal slipped from a start of £356 to a close on the Kerb of £348. Turnover 10,000 tonnes.

Morning: Three months £355, 54, 53, 50, 48, 47, 48, 45, 46. Kerb: Three months £346, 47. Afternoon: Three months £346, 47, 48, 47, 47.5. Kerb: Three months £347, 48, 47.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	334-5	—9	334-6	—8.5
3 months	345-6	—9.75	347-.5	—8
S'ment	335	—9	—	......
Prim w'st	—	......	*37.5	......

ALUMINIUM—*Lower as the backwardation was eroded and some stop-loss selling emerged.* [illegible]

Morning: Three months £842, 43, 42. Afternoon: Three months £833, 35, 32, 34, 35. Kerb: Three months £836, 34, 33, 36, 37, 38.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	860-5	[illegible]	856-61	[illegible]
3 months	841-2	[illegible]	835-6	[illegible]

NICKEL—*Fell away after forward metal had been quoted during the morning between £2,920 and £2,880.* In the afternoon, influenced by copper and the pound, the price traded around £2,840-£2,850, before stop-loss selling took it down on the Kerb to £2,760. At that level fresh buying emerged, leading to a close of £2,800. Turnover 582 tonnes.

Morning: cash £2,810, three months £2,900. Afternoon: Three months £2,850, 40, 50, 42, 40, 35. Kerb: Three months £2,830, 20, 2,790, 80; 60, 70, 80, 95, 2,800.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2790-810	—10	2840-60	+40
3 months	2880-900	—15	2830-5	—72.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver posted record gains in the London bullion market yesterday to be fixed at an all time high of 1,235.0p, a rise of 119.9p an ounce. U.S. cent equivalents of the fixing levels were: Spot 2,751.0c, up 291.0c; three-month 2,817.5c, up 290.8; six-month 2,871.4c, up 292.3c; and 12-month 2,974.2c, up 308.5c. The metal opened at 1,175-1,225p (2,600-2,700c) and closed at 1,215-1,265p (2,700-2,800c) a record closing level.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1235.0p	+119	1227.5p	+173
3 months	1270.0p	+118	1261.5p	+177
6 months	1299.0p	+118	—	......
12months	1358.0p	+127	—	......

LME—Turnover 194 (110) lots of 10,000 ozs. Morning: Three months 1,245, 50, 45, 40, 60, 56, 52, 50, 48, 50. Kerbs: Three months 1,255, 50. Afternoon: Three months 1,255, 57, 58, 60, 55, 60. Kerbs: Three months 1,265, 55, 54, 55.

COCOA

Trading within a narrow range in very light volume futures ended the day on a quiet note. Physicals failed to appeal to producers or consumers both apparently content to await the New Year before making any positive moves, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Dec	1462-60	—4.5	1475-66
March	1508.09	—10.0	1524-05
May	1507-10	—8.5	1520-08
July	1515-17	—3.0	1520-10
Sep	1626-30	—3.5	1529-25
Dec	1650-60	—10.0	—
March	1646-85	—	—

Sales: 1,173 (695) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price Dec. 21 148.53 (145.71). Indicator price Dec. 26 15-day average 144.32 (144.22); 22-day average 143.80 (143.42).

COFFEE

Robustas opened sharply lower in fairly active trading conditions but early trade selling was well absorbed from mixed buying as the market erased losses slightly by mid-day. Further weakness in the afternoon was prompted by lower New York prices and strength in currency reported [illegible]

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	1668-90	[illegible]	[illegible]
March	1605-07	[illegible]	[illegible]
May	1590-92	[illegible]	[illegible]
July	1568-73	[illegible]	[illegible]
Sept	1555-75	[illegible]	[illegible]
Nov	1555-60	[illegible]	[illegible]
January	1556-60	—40.0	—

Sales: 8,036 (3,341) lots of 5 tonnes. ICO Indicator prices for Dec. 26 (U.S. cents per pound): [illegible]

GRAINS

LONDON GRAIN FUTURES—The market opened unchanged to 15 lower on old crops but, in generally thin conditions, values moved lower all day amidst some speculation and shipper liquidation in front of tomorrow's tender. By the close, values had registered losses of between 35-40 points lower on old crops and stayed 35-45 points lower by the close. [illegible] easier fob market leading barley lower. *New crops were neglected and closed unchanged,* reported Acli.

WHEAT			BARLEY	
M'nth	Yesterd'ys close	+ or —	Yesterd'ys close	+ or —
Jan	95.55	—0.40	92.85	—0.45
Mar	100.15	—0.25	97.05	—0.40
May	104.30	—0.35	101.05	—0.40
Sept	97.95	[illegible]	94.80	[illegible]
Nov	101.25	[illegible]	98.50	[illegible]

Business done—Wheat: Jan. 95.85-95.55, March 100.25-100.15, May 104.50-104.30, Sept. 97.95. Nov. unquoted. Sales: 138 lots of 100 tonnes. Barley: Jan. 92.85-92.55, March 97.20-97.00, May 101.25-101.05, Sept. 94.80-94.80. Nov. unquoted. Sales: 150 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Jan. 107, Feb. 109.50, March 110.50 transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 108, March 109, transhipment East Coast. EEC unquoted. Maize: French, Jan. 116.50. U.S./S. African 120 East Coast. S. African White unquoted. S. African Yellow Jan. 82. Barley: English Feed fob Jan. 98, Jan.-March 100, April-June 105.25, East Coast.

RUBBER

The London physical market opened unchanged, with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 294 (same) cents a kg (buyer, January).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Feb	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]

Sales: 200 (258) at 15 tonnes, 13 (2) at 5 tonnes.

Physical closing prices (buyer) were: Spot 65.50p (64.50p); Feb. 67.25p (67.50p); March 68.25p (68.50p).

SUGAR

LONDON DAILY PRICE (raw sugar): £182.0 (£176.00) a tonne cif for Dec.-Jan.-Feb. shipment. *White sugar daily price was £187.00 (£187.00).*

The market opened some £5 above pre-Christmas quotations in line with the sharp rise of New York Wednesday. However, keen selling was apparent at the higher levels and the advance was halted. Later prices again rallied after a strong New York opening, but once more the high points were not held and the lows some £4.00 below the best levels, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]

Sales: 5,507 (2,397) lots of 50 tonnes.

[illegible]

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]

Sales: 59 (36) lots of 100 tonnes.

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller only): Pence per pound. [illegible]

NEW ZEALAND CROSSBREDS—Close [illegible]

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Micron Contract: [illegible]

BRADFORD—Production at many Bradford wool companies remained at a standstill because of holidays. Business was sluggish and prices generally unchanged. The tone remains reasonably firm reflecting better December business and a firm close to the selling season.

COTTON

LIVERPOOL—SPOT AND shipment sales amounted to 60 tonnes, bringing the total for the week so far to 880 tonnes. Demand was light in the inter-holiday period, resulting in only scattered operations. African and Middle Eastern styles attracted most attention.

MEAT COMMISSION—Average fatstock prices at representative markets on December 27. GB cattle 82.65p per kg lw (—1.55); UK sheep 141.4p per kg est dcw (+6.8); GB pigs 76.7p per kg lw (+6.4).

PRICE CHANGES

In tonnes unless otherwise stated.

	Dec. 27 1979	+ or —	Month ago
Metals			
Aluminium	£760/70	......	£760/70
Free Mkt (cs)	$1750/1800	......	$1700/50
Copper			
Cash w'bar	£1004.5	—12	£968.75
3 mths	£1013.5	+2	£978.75
Cash Cathode	£982	+7.5	£939
3 mths	£996	+5	£956
Gold troy oz	$511	+23.5	$409.5
Lead cash	£525.5	—10.5	£560
3 mths	£512.5	—6	£542.5
Nickel	£3,260.17	......	£3,185.22
Freemkt(cif (lb	278/310c	......	260/280c
Platin'mtr'y oz	£196.0	......	£186.5
Free mkt	£311.45	+18.25	£243.65
Quicksil'ver	$375/380	......	$330/350
Silver troy oz	1235.00p	+118.9	829.45p
3 months	1270.00p	+118.9	858.45p
Tin Cash	£7,470	—85	£7,970
3 mths	£7,280	—75	£7,577.5
Tungsten	$137.75	......	$142.40
Wolfrm 22.04 cif	$128.50/134	......	$132.5/138
Zinc cash	£335	—8.5	£332.875
3 months	£347.25	—8	£341.25
Producers	$760	......	$780
Oils			
Coconut (Phil)	$880y	+5	$925
Groundnut	......	......	......
Linseed Crude	£398	......	£431
Palm Malayan	$666x	—11	$646
Seeds			
Copra Philip	$675	+2.5	$610
Soyabean(U.S.)	$290.90x	—1	$296.50
Grains			
Barley Futures	£97.05	—0.35	£98.10
Maize	......	......	......
French No3AM	£120.0t	......	£117
Wheat			
No. 1 Red Spg	......	......	......
No2HardWint	£108.50t	+2.5	£107.25
Eng. Millingt	......	......	......
Other commodities			
Cocoa ship.t	£1,569	—10	£1,622
Future Mar.	£1,508.5	—10	£1,505.5
CoffeeF't'r Mar	£1,605	—54	£1,892.5
Cotton A.Index	82.95c	+0.25	80.25c
Rubber (kilo)	65.50p	+1	64.50p
Sugar (Raw)	£182	+6	£162
Wooltp's 64s kl	276p kilo	......	280p kilo

* Nominal. † New crop. ‡ Unquoted. q Dec.-Jan. r Jan./Feb. t Jan. u Feb. z Indicator. § Buyer.

China drought warning after peak harvest

PEKING — China's communes and state farms have already exceeded their grain quota for the year ending next March 31 by more than 2 per cent, the New China News Agency claimed here.

Total amount of grain already bought by the state was 4.5m tonnes more than in the same period last year, the Agency said.

These figures reinforce predictions based on provincial crop reports that China is heading for a record grain harvest in the current collection year.

However, farm workers in *most parts of southern China* and some parts of the north were warned yesterday to take *precautions against a long dry* spell forecast by the central meteorological observatory.

Total rainfall in north China from September to early December was 70 to 90 per cent less than in normal years, the Observatory said.

Rainfall in areas of south and southeast China in October and November

AMERICAN MARKETS

NEW YORK, December 27.

THE PRECIOUS metals closed sharply higher on a general lack of selling and on continued concern over events in Iran and Afghanistan, with silver limit up all day. Copper was mixed on commission house liquidation, as was sugar. Cocoa was barely sustained by some arbitrage buying, whereas coffee was lower on continued commission house liquidation [illegible]

[illegible]

43.30, Dec. 44.87, Feb. 47.25, April 47.20.

‡‡Maize—March 289¼-289 (284), May 301¼-301 (305¾), July 310¼-310, Sept. 313¾, Dec. 316¼-316½, March 328¾-328.

Pork Bellies—Feb. 47.20-47.10 (47.42), March 47.75-47.55 (47.67), May 49.10-48.25, July 50.55-50.75, Aug. 48.55.

Silver—Jan. 2750.0-2726.0 (2523.0), Feb. 2655.0 (2575.0), April 2708.5, June [illegible]

[illegible]

EUROPEAN MARKETS

[illegible]

$215, Feb. $219, March $222, April-May $208, May-June $208, June-July $208.50.

Maize—U.S. No. 3 Corn Yellow afloat $141, Dec. $143.50, Jan.-March $146.75, April-June $152.50, July-Sept. $155, Oct.-Dec. $156.50.

Soyabeans—U.S. No. 2 Yellow afloat $274, Jan. $276.50, Feb. $284.75, March $287.50, April $291.75, May $293.50, June $299.25, July $300.50, Aug. $303.50, Sept. $305.25, Oct. $305.75, Nov. $305.50, Dec. $310.50. Argentine [illegible] $251-$254, Dec. $248-$249.50, Jan.-March $248 traded.

PARIS, December 27.

Cocoa (FFr per 100 kilos)—Dec. 1305-1365, March 1337-1343, May 1335-1352, July 1335, Sept. 1340-1370, Dec. 1345-1370. Sales at call 3.

Sugar (FFr per 100 kilos)—March 1739-1760, May 1751-1753, July 1755-1770, Aug. 1760-1765, Oct. 1765-1775, Nov. 1760-1775, Dec. 1770-1795, March 1780-1805. Sales at call 83.

INDICES

FINANCIAL TIMES

Dec. 21	Dec. 20	M'nth ago	Year ago
299.60	298.57	297.15	255.68

(Base: July 1, 1952=100)

MOODY'S

Dec. 21	Dec. 20	M'nth ago	Year ago
1255.1	1243.8	1243.8	1168.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 21	Dec. 20	Month ago	Year ago
Spot	422.44	420.71	413.38	380.51
F'tur's	427.40	426.91	423.19	379.06

(Average 1924-25-26=100)

REUTERS

Dec. 27	Dec. 21	M'nth ago	Year ago
1709.5	1704.2	1690.5	1495.3

(Base: September 18, 1931=100)

Ugandan directive to cotton farmers

UGANDAN farmers have been told to begin marketing their cotton crop from January 7, *some weeks later than usual.*

The Ministry of Agriculture has made a special appeal to farmers to pick their cotton and offer it for sale, to help the balance of payments.

Little cotton has been planted in the past season because of the disruption caused by the liberation war against Idi Amin. Uganda's cotton crop has, since the mid-50s, been its second most important export, more widely grown than coffee. Production fell under Amin's rule from 400,000 bales in 1972 to under 70,000 bales last year.

Tight wool supply forecast

SYDNEY — Supply, rather than demand, factors are likely to dominate the world wool *market in 1980, according to an* Australian Wool Corporation (AWC) official, Mr. Lionel *Ward, the AWC's group manager* for planning and information, told reporters yesterday *that 56 per cent of the 1979/80* season's expected availability had been sold in the first half of the season, the highest first-half sale since 1972/73.

AWC stocks are currently only 175,000 bales compared with 1m a year ago, he added.

Sluggish return from Christmas holiday highlighted by upsurge in Gold shares—index jumps 14.2 to 276.4

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Dec. 10	Dec. 20	Dec. 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4

* "New time" dealings may take place from 9.30 am two business days earlier.

Gold and other mining issues commanded the attention in stock markets which otherwise made a sluggish return to business after the Christmas holiday. As in last Monday's shortened trading session before the two-day break, the price of Gold bullion set the pace by picking up its overnight strength on other exchanges and leaping to a record London closing level of $511 an ounce.

Demand from all the recognised world centres found stock none too abundant and the result was that specific heavyweight gold shares rose by as much as two points in sterling terms. Financials also showed good strength along with Australian and other producers of the metal. Following Monday's rise of 6.6, the FT Gold Mines index jumped 14.2 to 276.4, its highest since September, 1975.

Government stocks attracted a small business, much of which was directed at Treasury 15 per cent 1985 in special ex dividend form. The shorter end of the market was easier in places on switching to go longer.

The equity sections were generally neglected and leading shares continued to drift lower for want of attention. Losses were confined to a penny or so but among constituents of the FT 30-share index they combined to produce a closing fall of 2.8 in the index to 414.7.

Consolidated Goldfields claimed almost all the attention in traded options, recording 126 of the 161 contracts completed.

C. T. Bowring better

C. T. Bowring edged forward a couple of pence to 129p, after 130p, awaiting further news of the Marsh and McLennan bid approach. Elsewhere in Insurances, Britannic hardened 2 to 154p as did Pearl, to 274p.

The major clearing banks drifted lower on lack of support. Barclays, 422p, Lloyds, 304p, and Midland, 344p, all lost 4, while NatWest closed 2 off at 350p. Bank of Ireland declined 5 to 320p. Among merchant banks, Hambros put on 3 to 288p. Kleinwort Benson, at 124p, were unmoved by the sale of the company's 40 per cent stake in Kleinwort Benson McCowan, the New York based investment adviser with assets of $700m.

Little of interest occurred in Breweries, but Highland Distilleries closed a penny cheaper at 143p following the formal offer from Hiram Walker.

Concern about the cost of repairs to Ronan Point unsettled Taylor Woodrow which fell 8 to 324p. Elsewhere in Buildings, Milbury gave up 4 to 52p. Vectis Stone hardened a penny to 310p following the doubled final dividend and increased earnings. Bellway gained 2 to 69p and Brown and Jackson put on 5 to 215p.

ICI typified the dull and lethargic market conditions yesterday, closing 4 off at 356p on lack of support.

Stores dull

Stores tended easier where changed, Marks and Spencer softening a penny to 77p after a 1979 low of 76p. Bambers dipped 4 to 70p as did Grattan Warehouses, to 106p, the latter on fading bid hopes. B. and Q. Retail, however, hardened 2 to 86p.

Electricals followed the general downward drift. Among the leaders, Thorn, 8 cheaper at 278p, were unsettled by the threat to UK television manufacturers from overseas following the expiration of the PAL patent. Racal eased 2 to 185p and GEC, 331p, and Plessey, 111p, lost a penny apiece.

Leading Engineers rarely strayed far from last Monday's closing levels, but the trend was to lower levels, underlying sentiment still being affected by the prospect of a national steel strike in the New Year. Scattered offerings left Renold 5 cheaper at 67p, while falls of 4 were marked against Babcock, 104p, Hawthorn Leslie, 83p, and Whessoe, 66p. Baker Perkins eased 3 to 82p and Butterfield Harvey 2 to 41p.

In Foods, Bernard Matthews slipped 5 to 255p reflecting the pre-Christmas fall in turkey prices. Elsewhere, Nicholls Vimto moved up 5 to a year's peak of 275p, but Barker and Dobson fell 1½ to a 1979 low of 24½p. Among other smaller-priced issues, J. E. England hardened a penny to 22p.

Metal Box lower

The prospect of a nationwide steel strike unsettled Metal Box which fell 6 to 234p. Press comment drew buyers' attention to BET which rose 6 to 121p, after 123p, while Sothebys gained 10 to 403p on demand ahead of the preliminary results due on January 10. Neill and Spencer put on 4 to 99p and Otrex 3 to 107p, while overseas concern Hanimex jumped 20 to 95p. Still unsettled by adverse comment, Change Wares lost 1½ to 9p and the 12 per cent Preference declined a penny more to 11p.

Comment highlighting the recent prolonged ITV dispute caused selective easiness in Televisions where HTV non-voting lost 5 to a 1979 low of 97p and Anglia A gave up 3 at 62p.

In Commercial Vehicles, ERF drifted back 3 to 92p, while Dowty were similarly easier at 147p among Components. Garages and Distributors presented minor firm features in Hartwells, 70p, and Godfrey Davis, 121p, both up 2.

Properties moved indecisively in a slow trade but small demand raised Hammerson A 10 to 715p and Marlborough 2½ to 33p.

Oils drift lower

Oils passed another quiet session, but light selling found the market unwilling and the overall trend was to lower levels. Among the leaders, Shell gave up 4 to 324p and BP 2 to 342p. In the more speculative issues, Siebens (UK) fell 10 to 398p, while CCP North Sea lost 8 to 214p, and Ultramar, 410p, and Lasmo, 336p, lost 6 apiece. Against the trend, Weeks Petroleum rose 10 to 345p.

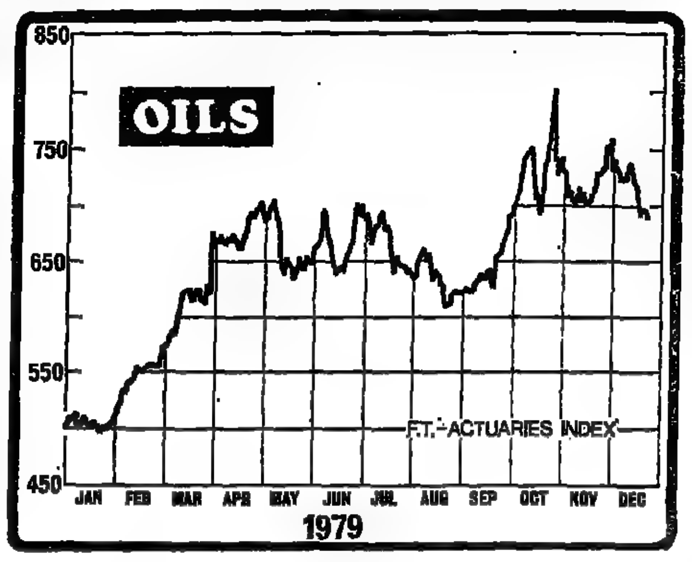
Overseas Traders displayed an easier bias. Great Northern featured with a fall of 4½ points to £27½, while Harrison and Crosfield lost 13 to 612p and Hoffnung eased a couple of pence to 67½p.

Trusts recorded scattered losses, Scottish Cities "A" easing 3 to 124p. Still reflecting the possible claim for up to £7m for liabilities, M and G Holdings eased 2 more to 132p.

Occasional firm spots in Shippings included Furness Withy, up 4 at 246p, and Common Bros., 2 higher at 290p.

Textiles were rarely altered, but Towles encountered revived support and improved 5 to 105p with the A 2 up at 66p. A little buying interest was also shown in Montfort, 3 higher at 79p.

South African industrials made good progress in sympathy with the current strength of gold mining issues. Rises of around 8 were seen in Barlow Rand, 317p, Gold Field Properties, 95p, and Greatermans A, 250p, while Anglo-American Industrial put on 15 to 750p.



Strong Golds

As the bullion price traded over $500, to close at $511.0, an ounce for a rise since Christmas Eve of $23.50, interest in gold issues dominated the mining markets. The strength of South African Golds spread into Financials, Platinums and Australian Golds.

The Gold Mines Index rose 14.2 to 276.4 as buying emerged especially from London and the Cape, supported by the Continent, with American interests proving reluctant sellers. Rises were common throughout the list and pushed numerous stocks to 1979 highs.

Western Holdings rose 2 to £34½ and East Rand Proprietary 1½ to £11½, while Durban Deep closed 78 higher at 894p and West Driefontein and FS Geduld showed gains of 1 to £32½ and £19½ respectively.

The same pattern of buying was evident for South African Financials where Anglo American featured with a rise of 45 to 585p and Amgold advanced 1½ to £33½.

The rise among Golds brought extra strength to Platinums where Rustenburg were outstanding with a jump of 18 to 202p. Impala at 220p and Lydenburg at 117p were several pence better.

Australians were also active, taking their cue from Sydney overnight. Gold Mines of Kalgoorlie moved 11 higher to 181p and Poseidon, now reincarnated as a gold stock, hardened 5 to 111p.

The other sector of the Australian market which attracted attention was Diamonds, where Northern Mining were prominent with a rise of 8 to 155p. Conzinc Riotinto, leader of the Ashton consortium, firmed 3 to 247p.

Its London parent, Rio Tinto-Zinc was quiet for most of the day but a late spurt lifted its price 2 to 322p. Charter and Selection Trust were overlooked, staying near overnight levels at 126p and 546p respectively, but Consolidated Gold Fields had a late rally to 381p for a gain of 11.

Among other Financials, Minorco responded to U.S. buying with an advance of 28 to 315p, but ZCI, in which Minorco has a controlling stake, saw recent strength eroded further as the shares slipped a further 8 to 32p.

Rhodesians looked edgy in the light of recent political developments, and Wankie softened 2 to 60p. Coppers were quiet, although small buying lifted Roan Consolidated 15 to 195p. Tins were untested.

Rand London were suspended at 94p pending the lifting of a trading halt on the Johannesburg exchange.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (28)

BEERS (1)
Invergordon

ELECTRICALS (1)
Thorpe (F. W.)

SHIPPING (1)
Common Brothers

SOUTH AFRICANS (3)
Gold Fields Prop. OK Bazaars
Greatermans A

OIL & GAS (2)
Weeks Petroleum Do. Pfd. Ord.

MINES (20)
East Rand Prop. Zandpan
West Rand. Harmony
Marievale Loraine
East. Drie. Anglo American
Elsburg General Mining
Hartebeest Minorco
Kloof Gold Union Corp.
Stilfontein Rustenburg Platinum
Venterspost Roan Cons.
Western Deep Messina

NEW LOWS (20)

BUILDINGS (1)
Streeters

STORES (1)
Marks & Spencer

ELECTRICALS (1)
Thorn Elec.

ENGINEERING (3)
Butterfield Harvey Renold
Clayton, Son Wheway Watson
Neill (Jas.)

FOODS (3)
Barker & Dobson Tavener Rutledge
Pyke

INDUSTRIALS (5)
Change Wares Triefus
Do. 12pc Ptg. Prf. 'W' Ribbons
Holden (A.)

LEISURE (2)
Boosey & Hawkes HTV Non. Vtg.

OVERSEAS TRADERS (1)
Great Northern

MINES (1)
Sabina

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	8	19	62
Corpns., Dom. and Foreign Bonds	4	1	61
Industrials	65	196	1,140
Financial and Prop.	23	87	389
Oils	5	12	23
Plantations	—	2	26
Mines	66	17	62
Others	33	48	78
Totals	202	382	1,841

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	350	9	—	22	10	—	—	340p
BP	360	—	—	—	—	30	2	"
BP	400	1½	—	8	1	—	—	"
Cons. Gold	330	56	3	75	—	86	—	380p
Cons. Gold	360	28	25	51	—	65	—	"
Cons. Gold	390	12	80	32	8	45	10	"
GEC	360	4	9	17	—	[illegible]	—	335p
Land Secs.	300	1	—	[illegible]	—	[illegible]	—	286p
Marks & Sp.	90	½	—	[illegible]	—	[illegible]	—	77p
Shell	350	—	—	[illegible]	—	[illegible]	—	324p
Shell	360	4	2	—	—	—	—	"
Totals			119		20		22	

FINANCIAL TIMES STOCK INDICES

	Dec. 27	Dec. 24	Dec. 21	Dec. 20	Dec. 19	Dec. 18	A year ago
Government Secs.	65.46	65.46	65.46	65.31	65.34	65.10	66.88
Fixed Interest	65.99	66.05	66.02	65.92	65.90	65.82	70.23
Industrial	414.7	417.5	419.6	420.2	422.1	431.3	473.9
Gold Mines	276.4	262.2	255.6	258.7	274.6	269.5	143.2
Ord. Div. Yield	7.83	7.79	7.74	7.74	7.68	7.66	6.10
Earnings, Yld. % (full)	19.49	19.38	19.27	19.26	19.18	19.16	16.00
P/E Ratio (net) (*)	6.32	6.35	6.39	6.39	6.42	6.42	8.12
Total bargains	8,945	6,926†	13,987	14,819	15,557	16,460	—
Equity turnover £m	—	25.17	70.66	78.90	78.13	95.86	47.87
Equity bargains total	—	4,621	10,968	11,757†	10,579	11,780	10,286

10 am 416.4. 11 am 415.9. Noon 415.1. 1 pm 414.7.
2 pm 414.7. 3 pm 414.5.
Latest Index 01-246 8026.
*Nil = 6.10.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.
† Amended figure.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	76.91 (4/1)	63.30 (6/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.78 (4/1)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	276.4 (27/12)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 27	Dec. 24
Daily		
Gilt Edged	85.1	67.4
Industrials	27.8	32.2
Speculative	20.5	14.9
Totals	20.6	27.3
5-day Av'ge		
Gilt Edged	84.7	108.3
Industrials	63.5	72.9
Speculative	40.2	48.5
Totals	45.2	58.3

HOME CONTRACTS

PO places £2m order for handling equipment

FENAMEC, the materials handling division of Fenner Group and GEO. ROBSON AND CO. have won a contract worth around £2m to provide handling equipment for the new parcels concentration office of the the north east region of the Post Office at Stourton, Leeds. They will be responsible for detail design, fabrication, installation and commissioning and will supply all uplift conveyors and diverters, delivering to eight parcel sorting machine lines with dual injection feeds, which in turn deliver to a complete segregating system comprised of 80 conveyors. Work on the contract started in September 1979 and is scheduled for completion December 1980.

The Corby Development Corporation has placed a contract for four standard factories at Earlstrees Road with MILLER BUCKLEY CONSTRUCTION. The total cost of the development is around £1.3m and an immediate start is to be made with completion forecast for early September 1980.

DMR ELECTRO MAGNETS of Swansea has received orders for a total of 10 magnets worth around £100,000. Seven type 65T underwater circular magnets have been ordered by the Steel Authority of India, three being for the Bhilai and four for the Hindustan steelworks. The other three are for a private steel concern and two will be fitted with cones to improve their scrap handling lifting capacity.

The Isle of Man Government has placed an order for SPERRY UNIVAC'S 1100/60 computer, worth around £750,000. It will replace the existing 90/30. The Manx Government will lease the computer and delivery is scheduled for December 1980.

SOUTHERN COUNTIES CONSTRUCTION, has won two two-phase contracts worth over £600,000 for the erection of crash barriers and fencing on the M25 and A13 near the Mardyke interchange in Essex. The first is for John Laing Construction, and covers 9,000 metres of single-sided corrugated crash barrier from the Dartford tunnel on the M25 between the Mardyke interchange and Ockenden railway bridge. The second contract for Wimpey Construction (UK) is worth £390,000 and involves a stretch of the A13 from Rolls to the Mardyke interchange to Grays and the new link road from the same interchange to Tilbury docks.

A £645,000 civil engineering contract has been awarded by the British Waterways Board to W. A. DAWSON for the replacement of the Sprotborough Lock, near Doncaster, on the South Yorkshire Canal. The work is due to start in January 1980 and should take about nine months to complete. This contract is the first of a series of major improvement works proposed by the Government to permit 700 tonne craft to navigate to Mexborough and 400 tonne craft to reach Rotherham.

CVC SCIENTIFIC PRODUCTS has received an order worth more than £100,000 from the Central Institute for Industrial Research (SI), Oslo, Norway, for the supply of a model AST-601 sputtering system and an electron beam evaporation system. The CVC Model SC-5000 System. The two systems will be used in research and development, and for limited production of integrated circuits, opto-electronic components and sensors.

The extra high voltage division of HAWKER SIDDELEY POWER ENGINEERING, has received an order worth nearly £2.2m from Rolls Royce (marine and industrial division). Ansley for the design, supply and supervision of erection of a 220 kV double busbar outdoor substation in Egypt. The substation will serve the first half of a 200 MW turbine generating station at Mahmoudiya on the Nile Delta 65 km from Alexandria. The substation area is around 22,100 square metres and will be equipped for two generator transformer bays, four feeder bays and a six tie coupler bay with facilities for future extensions. The equipment will include 245 kV SF6 single pressure puffer breakers, 11 kV 3000A airbreak generator breakers and 11kV phase segregated busbars.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., Dec. 27, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., Dec. 24 Index No.	Fri., Dec. 21 Index No.	Thur., Dec. 20 Index No.	Wed., Dec. 19 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	213.38	−0.5	20.20	7.21	6.27	214.49	215.05	214.94	215.37	232.08
2	Building Materials (27)	198.12	−0.5	19.84	7.56	6.47	199.18	199.62	200.85	199.78	204.35
3	Contracting, Construction (29)	325.28	−1.1	28.37	7.37	4.36	328.99	329.41	328.84	328.22	358.58
4	Electricals (15)	548.38	−0.4	14.71	4.52	9.07	550.53	552.34	550.47	555.06	541.92
5	Engineering Contractors (11)	290.65	−0.8	26.68	8.81	4.79	292.99	292.55	293.59	295.86	354.51
6	Mechanical Engineering (74)	149.32	−0.6	22.33	8.57	5.57	150.15	150.20	149.96	150.03	182.01
8	Metals and Metal Forming (16)	146.07	−0.2	22.79	10.40	5.29	146.40	147.62	147.43	147.64	160.43
	CONSUMER GOODS										
11	(DURABLE) (50)	191.89	−0.7	18.77	6.33	6.61	193.17	193.86	193.93	195.14	209.06
12	Lt. Electronics, Radio, TV (15)	258.89	−0.9	15.01	4.96	8.50	261.28	262.60	263.21	265.95	265.01
13	Household Goods (14)	116.72	−0.4	25.94	9.28	4.67	117.22	117.21	116.50	116.17	166.85
14	Motors and Distributors (21)	103.86	−0.1	26.02	8.90	4.61	103.97	104.06	103.77	103.59	120.28
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	204.48	−0.3	19.51	7.35	6.33	205.04	205.72	206.10	206.68	207.54
22	Breweries (14)	252.84	—	17.29	6.92	6.80	252.95	255.21	254.22	256.39	233.25
23	Wines and Spirits (6)	298.25	−0.1	18.03	6.14	6.85	298.45	300.10	300.17	302.99	282.92
24	Entertainment, Catering (17)	272.72	+0.3	19.37	7.24	6.70	271.89	272.67	274.75	275.99	269.29
25	Food Manufacturing (19)	190.95	−0.2	20.84	7.62	5.89	191.32	191.28	192.14	191.41	200.01
26	Food Retailing (15)	292.96	−0.2	14.06	4.84	8.50	293.65	293.87	292.67	292.79	228.00
32	Newspapers, Publishing (12)	380.66	+0.3	24.94	7.65	5.54	379.42	379.42	379.21	382.79	369.95
33	Packaging and Paper (15)	116.88	−0.5	25.41	9.71	5.07	117.44	117.57	117.97	119.44	131.43
34	Stores (43)	191.33	−0.7	16.09	5.91	8.03	192.59	193.31	193.66	193.92	190.88
35	Textiles (23)	126.14	−0.2	28.83	12.82	4.40	126.34	126.51	127.27	127.82	178.31
36	Tobaccos (3)	202.42	−0.2	28.16	11.01	4.01	202.90	203.90	204.79	205.79	236.07
37	Toys and Games (6)	47.10	−0.8	34.75	15.20	3.63	47.46	47.46	47.29	45.55	92.28
41	OTHER GROUPS (98)	187.81	−0.6	16.73	7.18	7.28	188.89	188.56	189.68	189.93	194.66
42	Chemicals (18)	278.59	−0.8	17.50	7.16	6.60	280.80	282.50	285.56	286.80	276.77
43	Pharmaceutical Products (7)	194.12	−0.9	13.12	6.58	9.30	195.83	196.26	197.85	197.74	243.76
44	Office Equipment (6)	103.12	−0.7	19.35	8.18	6.45	103.81	103.81	102.90	102.86	128.75
45	Shipping (10)	413.31	+0.1	12.82	7.81	9.95	413.05	412.54	412.90	410.50	405.69
46	Miscellaneous (57)	218.75	−0.3	17.96	7.20	7.06	219.08	219.52	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (493)	208.08	−0.4	18.96	7.20	6.54	208.99	209.61	[illegible]	[illegible]	[illegible]
51	Oils (7)	576.12	−0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	246.12	−0.5	18.41	7.14	[illegible]	247.03	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	181.87	−0.4	—	5.91	—	182.61	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	220.86	−0.9	37.79	5.91	3.38	222.26	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	217.80	−0.1	—	9.11	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	166.21	−0.5	21.31	5.72	5.94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	155.09	+0.2	—	6.78	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (8)	121.25	−0.6	—	8.04	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	266.86	−0.2	18.68	7.52	7.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	89.96	−0.2	—	6.62	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (44)	316.72	−0.1	4.17	3.38	34.61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	119.78	−0.1	15.87	7.56	8.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (109)	191.75	−0.4	—	6.99	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	158.19	+1.2	14.57	5.59	8.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	333.27	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	229.39	−0.5	—	6.88	—	230.46	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Thurs., Dec. 27	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	100.86	−0.05	—	9.32
2	5-15 years	103.62	+0.01	—	11.51
3	Over 15 years	107.34	+0.01	—	14.69
4	Irredeemables	120.45	+0.05	0.94	14.60
5	All stocks	103.58	−0.01	0.01	11.85

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Thurs., Dec. 27	Mon., Dec. 24	Year ago (approx.)
1	Low	5 years	12.69	12.67	9.71
2	Coupons	15 years	12.71	12.70	11.37
3		25 years	12.72	12.73	12.16
4	Medium	5 years	14.53	14.48	11.51
5	Coupons	15 years	14.33	14.32	12.73
6		25 years	14.35	14.17	12.75
7	High	5 years	14.74	14.72	11.65
8	Coupons	15 years	14.80	14.79	13.30
9		25 years	14.52	14.50	13.36
10	Irredeemables		12.15	12.16	11.95

		Thurs. Dec. 27 Index No.	Yield %	Mon. Dec. 24	Friday Dec. 21	Thurs. Dec. 20	Wed. Dec. 19	Tues. Dec. 18	Mon. Dec. 17	Friday Dec. 14	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	49.35	14.96	49.35	49.34	49.67	49.66	49.65	49.51	49.57	54.91
16	Investment Trust Prefs. (15)	46.21	14.49	46.22	46.22	45.78	46.78	45.74	45.74	45.88	51.17
17	Coml. and Indl. Prefs. (20)	61.19	14.62	61.12	61.12	61.64	61.44	61.46	61.46	61.32	72.58

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Tricentrol	25p	5	248	−4	284	148
BP	25p	4	342	−2	406	220½
ICI	£1	4	356	−4	415	314
Lonrho	25p	4	86	—	90	62
Racal Electronics	25p	4	185	−2	276	168½
B.E.T. Defd.	25p	3	121	+6	145	96
Bowring (C. T.)	25p	3	129	+2	148	98
Distillers	50p	3	199	—	259	198
European Ferries	25p	3	98	—	183	92
GEC	25p	3	331	−1	456	311
Gibbs (A.)	25p	3	70	—	71	38
Marks & Spencer	25p	3	77	−1	134	76
Pearl Assurance	5p	3	274	+2	304	216
Shell Transport	25p	3	324	−4	402	278
Tube Invs.	£1	3	354	—	436	284

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Dec. 17	Dec. 28	Mar. 20	Mar. 31
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6

For rate indications see end of Share Information Service

Money was given for the call of Lonrho, C. T. Bowring, Burmah Oil, Charterhall, 600 Group, Coral Leisure, Airfix and Laurence Scott. A put was arranged in Petbow, while double options were transacted in Premier Consolidated, Allied Colloids and C. T. Bowring.

Local help for small Coventry businesses

IN ITS drive to establish new industrial growth points, Coventry Chamber of Commerce and the City Council is to set up a Centre for Innovation.

This will concentrate on helping one-man and other small enterprises either to get established or to expand. The aim is to counter the decline in traditional industries, such as cars and machine tools.

This initiative is believed to be the first of its kind and has been put on a two-year experimental basis. The Chamber of Commerce will provide offices and staff and the Council is initially allocating £8,000.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Samuel Montagu Ldn. Agents
Save & Prosper International
Murray, Johnstone (Inv. Adviser)
Nat. Westminster Jersey Fd. Mgrs. Ltd.
Negit S.A.
Negit Ltd.
Pacific Basin Fund
Phoenix International
Providence Capital Life Ass. (C.I.)
Quest Fund Mngmt. (Jersey) Ltd.
Richmond Life Ass. Ltd.
Rothschild Asset Management (C.I.)
Rothschild Asst. Mgt. (Bermuda)
Royal Trust (C.I.) Fd. Mgt. Ltd.
Schlesinger International Mngt. Ltd.
Schroder Life Group
J. Henry Schroder Wagg & Co. Ltd.
Sentry Assurance International Ltd.
Singer & Friedlander Ldn. Agents.
Standard Chartered Intl. Bd. Fd.
Stronghold Management Limited
Surinvest (Jersey) Ltd.
Surinvest Trust Managers Ltd.
TSB Unit Trust Managers (C.I.) Ltd.
TSB Gilt Fund Managers (C.I.) Ltd.
Tokyo Pacific Holdings N.V.
Tokyo Pacific Hldgs. (Seaboard) N.V.
Tyndall Group
Unilife Assurance (Overseas) Ltd.
Union-Investment-Gesellschaft mbH
United States Tst. Intl. Adv. Co.
S. G. Warburg & Co. Ltd.
Warburg Invest. Mngt. Jrsy. Ltd.
World Wide Growth Management
Wren Commodity Trust

[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd. (a)(x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers (a)

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs. (a)

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

[illegible]

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Aberdeen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (CI) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd., Inv. Advisers

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Fidelity Mgmt. Research (Jersey) Ltd.

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Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

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Hill Samuel Invest. Mgmt. Intnl.

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Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Midland Bank Trust Corp. (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

1979 High	Low	Stock	Price £	+ or −	Int.	Red. Yield
£103¼	96	FFI 13pc 1981	97¼	......	13.37	15.64
108¼	98	Do. 14pc '83	95½	......	14.65	15.52
86½	77½	ICFC 5½pc Deb. '80-82	81	......	6.93	14.60
85	69	Do. 6¼pcDb. '81-84	72	......	8.74	14.50
99	79½	Do. 10¼pc Uns.Ln. '86	80½xd	......	13.04	15.60
99	79	Do. 11pc Uns.Ln. '88	80xd	......	13.75	14.90
101½	80	Do. 11¾pc Uns.Ln. '90	81¾xd	......	14.37	15.40
72½	54½	Do. 7¼pcADeb. '89-92	56½	......	12.90	15.10
69	53	Do. 7¼pcA Db. '91-94	56½	......	13.32	15.00
67	64	Do. 9pc'A' '91-94	67	+½	14.44	15.05
78½	61½	Do. 8⅞pcLn. '92-97	65	......	14.44	15.10
102	85	Do. 12½pc. Uns. Ln. 1992	88½	......	14.47	15.00

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Gr's	P/E
224	121	Com'l Aus. (SA1)	129	......	[illegible]	[illegible]	[illegible]	[illegible]
£17¼	950	Com'zbk DM 104	937	......	Q26.6%	—	11.1	—
£12½	900	C'hgn. Hbk.Kr100	£10	......	Q12%	—	7.4	—
41	20	Corinthian 10p	27	......	†1.05	5.9	5.6	3.1
£24¾	£15	Cred. France F75	£19¼	......	Q9.87%	—	3.3	—
11	5	Dawes (G. R.)	9	......	—	—	—	—
£119½	£62½	Deutsche Bank DM50	£67½	......	Q28.12%	—	5.6	—
90	55	F. C. Finance	62	......	2.2	4.9	5.1	5.7
10	5¾	First Nat. 10p	10	+¼	—	—	—	0.7
4	1½	Do. Wrrts. 75-83	2¾	......	—	—	—	—
266	178	Gerrard National	208	......	†9.12	—	6.3	—
71	38	Gibbs (A.)	70	......	2.2	—	4.5	—
270	185	Gillett Bros. £1	196	......	†16.95	—	12.4	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

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PAPER, PRINTING ADVERTISING

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PROPERTY

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PROPERTY—Continued

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SHIPPING

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SHOES AND LEATHER

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SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
510	132	Falcon Ph.50c	500	......	Q100c	ϕ	13.6
49	11	Rhod'n Corp. 16½p.	47	......	0.56	6.5	1.7
295	70	Roan Cons. K4	295	+15	Q0.125	ϕ	3.9
67	26	Wankie Col. Rh.1	60	–2	Q9c	1.5	10.3
54	9	Zam.Cpr.SBD0.24	32	–6	—	—	—

AUSTRALIAN

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	23	......	—	—	—
16	4	ACM 20c	12	+1	—	—	—
62	50	Bond Corp.	30	......	Q3.75	2.2	2.4
171	100	Bougainville 50 Toea	126	+1	†Q15c	1.0	6.3
212	84	BH South 50c	202	+2	←	—	—
£17½	340	Central Pacific	£16½	......	—	—	—
318	170	Conzinc Riotinto 50c	247	+5	NQ10c	2.0	2.1
36	14	Cultus Pacific N.L.	17	......	—	—	—
*29½	2½	Eagle Corp. 10c	25	......	—	—	—
21½	11	Endeavour 20c	18	+¼	—	—	—
165	62	G. M. Kalgoorlie 25c	181	+11	Q3c	—	0.9
305	148	Hampton Areas 5p.	245	......	3.5	2.8	2.1
75	20	Hooma Gold N.L.	30	......	—	—	—
71½	25	Metals Ex. 50c	31	......	—	—	—
220	134	M.I.M. Hldgs. 50c	193	+3	tQ16.1c	1.8	4.4
25	15	Minefields Expl.	20	......	—	—	—
78	30	Mount Lyell 25c	60	–1	—	—	—
44	13	Newmetal 20c	19	......	—	—	—
167	91	North B. Hill50c	142	–1	Q12c	1.4	4.3
37½	4½	Nth. Kalgurli	36	......	—	—	—
155	45	Nth. Mining Corp.	155	+8	—	—	—
71	18	N. West Mining N.L.	26	......	—	—	—
190	76	Oakbridge SA1	126	–2	Q12c	4.7	3.4
110	22	Oilmin N. L.	94	......	—	—	—
128	58	Pacific Copper	124	......	—	—	—
*585	101	Pancont'l 25c	320	......	—	—	—
60	15½	Paringa Mg.&Ex.5p.	58	......	—	—	—
450	248½	Peko-Wallsend 50c	395	+5	tQ17.5c	ϕ	2.3
202	125	Selcrust A	150	......	—	—	—
715	145	Southern Pacific	620	–20	—	—	—
*36	8½	Swan Resources 20c.	34	......	—	—	—
16	12	West Coast 25c	13	......	—	—	—
205	121	Westn. Mining 50c	173	+3	Q7c	1.6	2.2
11	8	Westmex	10	......	—	—	—
70	40	Whim Creek 20c	52	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	1.0	1.9	5.5
435	265	Ayer Hitam SM1	250	......	Q290c	0.9	23.2
72	48	Beralt Tin	53	......	0.5	ϕ	13.3
270	155	Berjuntai SM1	165	......	Q95c	1.0	13.4
190	125	Geevor	155	......	8.71	3.1	8.2
10½	8	Gold & Base 12½p.	10	......	—	—	—
365	295	Gopeng Cons.	310	......	17.0	ϕ	7.8
370	209	Hongkong	300d	......	55.87	ϕ	17.1
98	64	Idris 10p	90	......	18.0	1.6	12.7
15	9½	Jantar 12½p.	15	......	—	—	—
95	58	Kamunting SM0.50.	70	......	Q47½c	1.1	15.2
620	210	Killinghall SM1	300	......	ZQ60c	—	4.5
530	365	Malay Dredging SM1	485xd	......	†Q105c	2.6	4.9
57	26	Pahang	26	......	0.44	0.3	2.4
123	60	Pengkalen 10p	108	......	24.0	ϕ	3.4
275	195	Petaling SM1	250xd	......	Q150c	ϕ	14.6
87	53	Saint Piran	57	......	‡2.5	6.4	‡
59	34	South Crofty 10p.	43	+2	‡2.0	2.0	‡
230	170	South Kinta SM0.50.	190	......	Q150c	1.0	17.7
430	295	Sthn Malayan SM1	340xd	......	Q175c	2.1	11.6
310	210	Sungei Besi SM1	245	......	†Q520c	1.0	51.1
75	25	Supreme Corp. SM1	28	......	ZQ10c	—	7.7
105	93	Tanjong 15p	98	......	7.5	0.7	10.9
115	90	Tongkah H. Tin	90	......	Q45c	1.3	11.2
280	190	Tronoh SM1	220	......	†Q25c	5.2	2.6

COPPER

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
132	56	Messina R0.50	132	+2	Q10c	ϕ	4.5

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	61	+2	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
365	170	Cons. Murch. 10c.	330	......	Q100c	ϕ	19.0
440	280	Northgate C$1	370	–10	—	—	—
362	226	R.T.Z.	322	+2	†11.5	3.4	5.1
31	12	Robert Mines	13	......	—	—	—
65	26	Sabina Inds. C$1	26	–4	—	—	—
880	470	Tara Exploration $1	475	–5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- § Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 18

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Bertam	15	......
Bdg'wtr. Est. 50p	359	–5
Clover Croft	32	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	F	......
Ellis Forge	45½	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	650	......
Higsons Brew	75	......
Holt (Jos) 25p	255	+5
I.O.M. Stm. £1	155	......
Pearce (C. H.)	365	–5
Peel Mills	29	......
Sheff. Refrshmt.	98	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£25¾	......
Nat. 9¾% 84/89	£73⅞	......
Fin. 13% 97/02	£82½	......
Alliance Gas	66	......
Arnott	350	......
Carroll (P.J.)	56	......
Clondalkin	89	......
Concrete Prods.	78	......
Helton (Hldgs.)	33	......
Ins. Corp.	200	......
Irish Ropes	74	......
Jacob	33	......
T.M.G.	138	......
Unidare	83	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew.	8	I.C.I.	20	Tube Invest.	27
BOC Intl.	6	"Imps"	5	Unilever	40
B.S.R.	5	I.C.L.	45	U.D.T.	4
Babcock	12	Inveresk	5	Utd. Drapery	10
Barclays Bank	30	KCA	3½	Vickers	18
Beecham	13	Ladbroke	17	Woolworths	6½
Blue Circle	25	Legal & Gen.	14	**Property**	
Boots	17	Lex Service	12	Brit. Land	7
Bowaters	16	Lloyds Bank	28	Cap. Counties	9
B.A.T.	25	"Lots"	3½	Land Secs.	25
Brown (J.)	7½	London Brick	6	MEPC	17
Burton 'A'	25	Lonrho	6	Peachey	13
Cadburys	5½	Lucas Inds.	29	Samuel Props.	14
Courtaulds	8	"Mams"	15	Town & City	2
Debenhams	8	Mrks. & Spncr	10	**Oils**	
Distillers	21	Midland Bank	30	Brit. Petroleum	35
Dunlop	6	N.E.I.	5	Burmah Oil	15
Eagle Star	17	Nat. West. Bank	28	Charterhall	5
E.M.I.	12	P. & O Dfd.	10	Premier	4
Gen. Accident	21	Plessey	10	Shell	50
Gen. Electric	35	Racal Elect.	22	Ultramar	22
Glaxo	40	R.H.M.	4½	**Mines**	
Grand Met.	13	Rank Org.	18	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl.	17	Cons. Gold	32
Guardian	23	Sears	5½	Rio T. Zinc	26
G.K.N.	22	Spillers	4½		
Hawker Sidd.	16	Tesco	7		
House of Fraser	14	Thorn	35		
		Trust Houses	14		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday December 28 1979

FOREIGN DEBTS OF $48.17bn

Brazil may need $15bn

BY DIANA SMITH IN BRASILIA

BRAZIL MAY need to borrow another $15bn in new foreign loans in 1980, according to the Finance Minister, Sr. Karlos Rischbieter.

The country is already one of the biggest borrowers on the Euro-markets. At the beginning of December its foreign debt was officially estimated at $48.17bn.

Sr. Rischbieter said in Brasilia yesterday that his country must work flat out to activate alternative fuel, steel and raw materials projects "to convince ourselves, and the international banking community, that our chances of overcoming our difficulties are reasonable."

The extent of the difficulties facing Brazil in 1980 is illustrated by estimates from the Getulio Vargas Foundation, Brazil's economic think-tank.

On top of estimated oil imports in 1980 of between $10bn and $12bn, outlays of $11bn for other imports will be required, against the foundation's forecast of $18bn exports and $2bn in direct foreign investment.

Servicing the country's debt will cost an estimated $15bn in interest and principal next year. In addition, outlays of some $3bn will be required for services, like freight charges, and insurance.

Meanwhile, inflation in 1979 has been estimated at between 75 and 80 per cent: the December figure is expected to be particularly dramatic due not only to rises of 58 per cent and 55 per cent in the prices of Petrol and electricity at the beginning of the month but also to wildcat mark-ups of the prices of goods and services immediately after the 30 per cent devaluation of the cruzeiro on December 7. To counteract this the authorities have threatened manufacturers, wholesalers and retailers with personal income tax audits if they persist with unjustifiable increases.

Sr. Rischbieter expressed his cautious hope that the December 7 devaluation and ancillary abolition of export incentives and artificial import controls would tidy up Brazil's trade terms enough to achieve export growth of 35 per cent in 1980, to $20bn and, with this increase, improve foreign borrowing terms.

"Obviously," he said "Every foreign banker would prefer to lend to the Swiss, and we are no Switzerland but we are somewhere in the middle range."

To Sr. Rischbieter, Brazil's ratio of exports to GDP is markedly unsatisfactory—about 7.7 per cent which compares with over 30 per cent countries like Hong Kong or South Korea. "Our domestic market has mushroomed tremendously," the Minister said. "So the urge to export hasn't been that marked until now. But we must go all out, and persuade every sector to export more."

Forecasts expect recession to be short

By Peter Riddell, Economics Correspondent

MOST LEADING British forecasters believe that the forthcoming recession will be both shorter and shallower than the mid-1970s downturn.

A sample of 13 prominent official and private sector forecasters reveals fairly widespread agreement on the likely character of the recession.

Total output, as measured by real gross domestic product, is projected on average to decline by 1.4 per cent in 1980 compared with this year. This contrasts with a total drop of more than 2¼ per cent between 1973 and 1975. Moreover, those forecasters who look beyond the end of next year expect that there will be an upturn in 1981.

Oil build-up

The difference compared with the mid-1970s can be largely explained by the build-up of North Sea oil production; the UK is expected to be self-sufficient in oil some time next year.

Consumer spending is generally expected to continue to grow in real terms, though by a much smaller percentage than in recent years. This compares with a 3¼ per cent fall in spending between 1973 and 1975.

The recession is likely to have its biggest impact on manufacturing industry where output may fall significantly because of a decline in investment and a cutback in the present high level of stocks.

Indeed to the extent that spending in the shops before Christmas was lower than hoped there will be a larger adjustment in stock levels and in output in the first few months of next year.

Jobless rise

Adult unemployment is expected to rise steadily—from just under 1.3m at present to 1.65m by the end of 1980—according to the average estimate of the forecasters.

Meanwhile, there is only expected to be a modest slowdown in the inflation rate, which will be mainly due to the absence from the comparison of the large price rises caused by June's Budget. The 12-month index of retail price inflation—now 17.4 per cent—is projected to peak at around 20 per cent early next summer before falling to between 14 and 16¼ per cent by end of 1980.

Details, Page 4

THE LEX COLUMN

Gingering up Highland

In good time for Hogmanay, Hiram Walker has delivered its formal offer for Highland Distilleries. The document comes just as some of the frothiness is disappearing from Highland's share price, which shot up to over 150p at one stage but now stands at 143p. There is still clear daylight between this and the 130p a share cash value of the bid: but with talk of a counterbidder tending to fade a little, the Highland defence will need to be carefully mounted.

At this stage, Hiram Walker is concentrating on the fact that its £80m bid compares with Highland's book net worth of just £33m. Obviously, Highland's stocks of whisky, and its distilleries are worth significantly more at replacement cost, but any revaluation will have to be large indeed to bridge the gap.

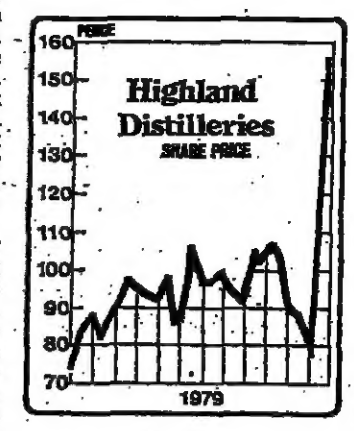
This leaves out, however, the question of the value of Highland's 35.4 per cent stake in the private company Robertson and Baxter, which shares a number of common directors but is not treated in the accounts as an associated company because Highland "is not in a position to exercise significant influence over its policies." And it leaves out the goodwill in the Famous Grouse name, which is largely what all the fuss is about.

One snag here for Highland is that through a complex arrangement with R and B it only owns a half share in Famous Grouse. The defending Board's problem is therefore to bring out the hidden value which is at present locked up in the R and B link. The intriguing question is whether Highland and R and B will be worried enough to consider some sort of restructuring.

World Index 1

When professional investors venture forth, the statisticians cannot be far behind. For performance demands measurement, and without an appropriate index the fund manager is liable to flounder without proper orientation. The abolition of exchange controls this year has posed a new challenge in this respect, now that the UK institutions have freedom to invest in equity markets around the world. In the case of international portfolios, after all, the familiar UK stock market indices are no longer suitable measuring rods to assess performance. Nor do overseas indices, as such, fill the gap. It is not surprising that there have been suggestions by some City bodies that there should be an addition to the FT's range of indices — in the shape of a world equities index.

Index fell 2.8 to 414.7



In the past, major sources of international money have been Germany and Switzerland, and since 1968 a Geneva-based company, Capital International, has produced a series of worldwide indices to cater for the market. The company has close to 1,000 subscribers for the service.

The UK now represents a substantial source pool for international portfolio investment, but more important, from the point of view of City investment managers, has been the evidence of growing interest by some American pension funds in investment outside the U.S. Their interest has been fanned by the relatively poor performance of U.S. stocks over recent years, especially when the decline of the dollar is taken into account. For the City to attract management of these funds on a world-wide basis, a measure of performance is essential.

There are two ways of constructing a world index. The first is to choose the countries with stock markets of sufficient size and accessibility, weight the relevant existing indices and combine them. The alternative is to construct a new index from the share prices of a sufficient number of leading companies worldwide—probably between 1,000 and 2,000. The inconsistencies between the different indices round the world make the second option preferable. Many of the older indices are unweighted and geometric, making them excessively sensitive to individual price movements, while in some countries there is no single index which is nationally accepted.

A freshly constructed index would quote prices in a single currency—probably U.S. dollars. The index would therefore measure currency as well as stock price changes. Thus the fall in value of the dollar has contributed to a rapid decline in the U.S. weighting in the Capital International world index. Whereas in 1968 the U.S. represented 75 per cent of the overall market value, the weighting has now fallen to 49 per cent. Europe accounts for 26 per cent and Japan for 16 per cent.

In an index of this type, the weightings of the different international markets within the total change automatically. However, there must be scope for adjustments as new stock markets — Mexico and the Philippines, for example—gain prominence. Also, acquisitions, bankruptcies and rapidly-growing companies would distort the balance of the different industrial sectors, necessitating changes. The standard formula for chainlinking leaves the price index unaffected, although discontinuity in yields is inevitable.

In fact, the most difficult problems are likely to concern yields and earnings ratios, due to the differences in international accounting practice. The distortion to profits comparison caused by differing depreciation methods is a major headache.

There would also be a demand for the world index minus one or other of the national constituents. The City merchant banks looking for American funds would like to be able to assess their performance against an index which did not include the U.S., for example, since their investment remit would hardly encompass the U.S. itself. While British institutions might be attracted to an index minus the UK for similar reasons, in practical terms the weighting of the UK, as well as the other single European countries, is too small to make a significant impact.

How often should the index be produced? Once a week would probably be enough for the world index itself, although there are arguments for tracking international industrial sectors more frequently, since these could provide a useful day by day investment tool. Whether a world index could be reproduced in the FT on the following morning's breakfast tables, given the New York closing times, is more problematical.

Esso puts 4p on petrol price

By Martin Dickson, Energy Correspondent

ESSO YESTERDAY announced increases in the price of its UK oil products which will add about 4 pence a gallon to cost of its petrol at the pump—and warned of further increase early in the New Year.

The company, which is the joint UK market leader in oil products, said price rises, effective today, accounted for two increases in its crude costs.

The first was a $2.77 a barrel rise in the price of North Sea crude in November. The second was the $6 a barrel back-dated price rise which Saudi Arabia announced just before this month's OPEC meeting in Caracas. Esso relies on the North Sea for about 50 per cent of its crude needs in the UK and on Saudi Arabia for about 45 per cent.

However, Esso said yesterday that its price rise did not take into account the effect of OPEC's Caracas meeting, which would eventually raise prices even further.

The company said it was likely to be some weeks before the full effects of Caracas became clear. "However, it is expected that further price increases will have to follow early in the New Year."

All UK oil companies are reviewing their prices after the OPEC meeting and a general increase in crude costs recently. Prices are certain to rise substantially, but it is not certain by how much and when.

Shell, the other market leader, which added two pence to a gallon of its petrol four weeks ago, said that it had no immediate plans for a general price rise. British Petroleum has not increased prices since July but seems certain to raise them soon.

Esso's increases mean that the wholesale price of a gallon of its petrol goes up 3.5p, equivalent to 4p per gallon on pump prices after VAT, if passed on in full by service stations. The wholesale scheduled price of a gallon of Esso four star to garages in the "inner zone" (nearest to distribution points) is now 106p, inclusive of 15 per cent VAT.

The company said yesterday that while oil stocks and supplies were adequate, the future oil supply situation continued to be balanced on a knife edge.

BL-Honda tie-up could lead to further links

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE AGREEMENT between BL and Honda for BL to produce a car designed by the Japanese company could open the way for other kinds of collaboration between the two car makers.

Sir Michael Edwardes, the BL chairman, told a Press conference immediately after the signing of the agreement in Tokyo yesterday that the two companies had realised during a year of negotiations on the passenger car project that they might be able to work together profitably in a number of areas.

A joint working party to be set up shortly will investigate the scope for collaboration. In the meantime, Sir Michael said, BL is already aware that it has suffered in the past by failing to enter into joint ventures with other motor manufacturers to the extent that some of its competitors had.

BL will cut two years off the time that would have been required to overhaul its passenger car model range thanks to the agreement, Sir Michael said.

The Honda car, to be produced and sold by BL in the EEC under a BL marque will be in production by mid-1981, whereas the development of a new BL car meeting the same specifications might have taken three to four years.

The car will form the second phase in BL's programme for replacing all its current passenger car models in the next four years. Phase one of the programme will start in October when the Mini metro goes into production.

Apart from its time-saving advantages, the agreement with Honda will provide the "focal point" for the modernisation and redevelopment of BL's Cowley works (where 85,000 units a year of the new car will be produced).

Mr. Kiyoshi Kawashima, president of Honda, said that the agreement with BL represents part of his company's overall strategy of internationalisation, which has included establishing a motor cycle factory in the U.S. and a components procurement centre at Honda's European headquarters in Ghent.

Direct export of cars to Western markets is theoretically more profitable than the licensing of production knowhow to foreign companies, Mr. Kawashima admitted.

Exports, however, are subject to severe political restraints with the result that licensing agreements have come to appear to Honda as attractive alternatives.

In the case of the BL-Honda tie-up, a combination of knowhow sales and direct exports will be involved, since Honda will initially be supplying engines and transmissions for the cars to be built at Cowley.

Mr. Kawashim and Sir Michael were not willing to give details at the joint Press conference of the financial aspects of the tie-up beyond saying that BL will pay royalties to Honda for the right to its designs and that the royalties will be fixed in terms of yen.

Honda remains free to build the car, of which the design has been licensed to BL, at its plant in Japan and anywhere outside the EEC where it may wish to establish production facilities.

New Kleinwort Benson venture

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

KLEINWORT BENSON, the largest of the City merchant banks, is selling its 40 per cent stake in Kleinwort Benson McCowan, the New York fund management company it bought into three years ago, because of disappointment with the results of the venture.

Now Kleinwort is to start its own U.S. fund management company from scratch. This will operate under the name of Kleinwort Benson International Investment once approval is forthcoming from the U.S. Securities and Exchange commission.

Mr. Michael Devas, managing director of Kleinwort Benson's fund management division, said yesterday that Kleinwort had expected a freer flow of information between Kleinwort Benson McCowan and the London merchant bank.

Problems apparently arose because, under the U.S. securities laws, Kleinwort Benson McCowan was unable to pass on information about its investment plans to London in such a way as to give Kleinwort Benson a competitive advantage on behalf of its London investment funds.

For its part, Mr. Devas said, Kleinwort Benson McCowan felt that Kleinwort Benson had not introduced as much international fund management business to the U.S. company as had been anticipated.

Mr. Bruce McCowan, chairman of the U.S. company, said that growth over the past three years had come about largely as a result of domestic efforts by Kleinwort Benson McCowan—whereas the plan had been to create a joint venture. He said Kleinwort Benson had not wanted to reduce its stake to reflect this fact, so it was decided that the senior executives of Kleinwort Benson McCowan, who already owned 40 per cent of the company, would buy out the London merchant bank. Goldman Sachs, the U.S. investment bankers, retains a 20 per cent stake in Kleinwort Benson McCowan.

As a result of the split, management of the Transatlantic Fund, a $25m Kleinwort Benson McCowan international investment vehicle for U.S. residents, is to be switched to the London merchant bank. The same will happen with Kleinwort Benson's $25m International Fund. However, Kleinwort Benson's $15m U.S. Growth Fund will continue to be managed by the U.S. company.

A main objective of Kleinwort Benson's new U.S. fund management company will be to secure a share of the U.S. pension fund money which is gradually going international. Kleinwort Benson, the merchant bank, has a representative office and an underwriting company in New York. Sharps Pixley, the bank's bullion dealing subsidiary, also operates in the U.S.

Weather

UK TODAY

MOSTLY DRY in E. Showers elsewhere.

London, S.E., E and N.E. England, E. Anglia
Mostly dry with sunny spells. Max. 6C (43F).

S.W., Cent., S and Cent. N. England, Midlands, Wales, Channel Is.
Showers, sunny intervals. Max. 7C (45F).

N.W. England, Lakes, I. of Man, Scotland, N. Ireland
Wintery showers, sunny intervals. Max. 6C (43F).

Outlook: Sunny intervals, wintry showers. Colder.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	Lisbon	C	9	48
Algiers	C	14	57	Locarno	S	3	37
Amsdm.	C	2	36	London	R	9	48
Athens	F	9	48	Luxmbg.	F	−1	30
Bahrain	C	19	66	Luxor	S	20	68
Barclna.	S	10	50	Madrid	F	5	41
Beirut	F	13	55	Majorca	C	14	57
Belfast	C	4	39	Malaga	S	15	59
Belgrd.	C	0	32	Malta	F	13	55
Berlin	S	2	36	M'chstr	R	11	52
Biarritz	F	13	55	Melbne.	S	36	97
Bmghm.	R	11	52	Mex. C.	S	21	70
Blackpl.	R	8	46	Milan	F	6	43
Bordx.	C	3	37	Montreal.	C	0	32
Boulgn.	R	2	36	Moscow	C	−6	21
Bristol	R	12	54	Munich	F	2	36
Brussels	C	3	37	Nairobi	R	21	70
B. Aires	S	25	77	Naples	S	12	54
Cairo	S	18	64	Nwcastl.	R	5	41
Cardiff	R	12	54	N. York	S	5	41
Cas'b'ca	F	14	57	Nice	F	12	54
Cape T.	S	26	79	Oporto	C	12	54
Chicago	S	1	34	Oslo	C	3	37
Cologne	S	2	36	Paris	C	3	37
Cpnhgn.	F	2	36	Perth	S	31	88
Corfu	F	14	57	Prague	Fg	−1	30
Dublin	C	5	41	Reykjvk.	F	−6	21
Dbrvnk.	F	12	54	Rhodes	S	11	52
Ednbgh.	R	4	39	Rio J'o	C	25	77
Faro	C	12	54	Rome	S	13	55
Florence	C	11	52	Salzbrg.	S	5	41
Frankft.	C	1	34	Singapr.	C	22	72
Funchal	C	18	64	Stckhm.	C	1	34
Geneva	S	3	37	Strasbg.	S	3	37
Gibrltr.	F	16	61	Sydney	C	23	73
Glasgow	C	4	39	Tangier	F	15	59
G'rnsey	C	11	52	Tehran	C	0	32
Helsinki	C	2	36	Tel Aviv	C	14	57
H. Kong	S	19	66	Tokyo	S	15	59
Innsbrk.	S	2	36	Toronto	C	−1	30
Invrnss.	C	1	34	Tunis	C	15	59
I.o.Man	C	6	43	Valencia	S	12	54
Istnbl.	Sn	0	32	Venice	S	6	43
Jersey	R	9	48	Vienna	F	3	37
Jo'burg	C	20	68	Warsaw	C	−1	30
L. Plms.	C	18	64	Zurich	S	1	34

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.

Venezuela to raise oil price

By Kim Fuad in Caracas

VENEZUELA IS to raise the price of its oil exports and will announce the extent of the increase before the end of the year, President Luis Herrera Campins of Venezuela said.

Humberto Calderon Berti, Energy Minister, met on Wednesday with Ministry technicians and officials from the State oil monopoly, Petroleos de Venezuela, to discuss increases, but did not reach a decision.

Venezuela increased its crude prices by $4 on December 14, joining Saudi Arabia, United Arab Emirates and Qatar in bringing the marker crude up to $24 a barrel, on the eve of the OPEC ministers' conference in Caracas.

When the OPEC ministers failed to agree on a unified price system, Venezuela indicated that it might add an additional $2 to its price, for a marker crude price of $26 a barrel.

The price increase would probably be applied only to Venezuela's light and medium crudes, while the country's lower quality heavy oils would not be affected.

It was unclear whether the price increase would also be applied to Venezuela's product exports which are about 600,000-700,000 b/d of residual fuel oil which goes to U.S. East Coast markets.

French Budget talks

BY ROBERT MAUTHNER IN PARIS

THE FRENCH National Assembly yesterday met for an emergency session in an attempt to unravel the tangle caused by the Constitutional Council decision that the Parliamentary procedure used for adopting the 1980 budget was illegal.

This has left the country without a Budget for next year and the Government does not have the right to raise taxes. To overcome this, M. Raymond Barre, the Prime Minister, has been authorised by the Cabinet to table an interim Bill permitting the Government to collect taxes until the Budget is adopted.

The Cabinet also agreed yesterday that the new finance Bill would be tabled virtually unchanged in the two houses of Parliament but that care would be taken to respect the correct procedure. M. Barre has again been authorised to make the Budget a question of confidence, if he finds that he cannot muster the required Parliamentary majority for the finance Bill itself.

The crisis is not expected to bring down the Government thanks to the use of a provision in the constitution allowing legislation to be passed automatically, failing the adoption by Parliament of a censure motion. But it is symptomatic of deep divisions in the Government camp.

The Leader of the Gaullist Parliamentary Group, M. Claude Labbe, has said the Gaullists will support the Government's interim Bill authorising it to raise taxes from January 1 until the Budget is adopted. The new Budget Bill will not be debated until January 7, thus giving M. Barre some time to try to work out a compromise with the Gaullists.

The immediate cause of all the trouble was the constitutional watchdog body's ruling on Christmas Eve that the Government should have ensured that the revenue chapter of the Budget was approved by Parliament before a vote was taken on the spending proposals.

The reason that this normal procedure was not followed was that the Gaullists refused to support the first chapter of the Finance Bill, because the Government had declined to accept their amendment calling for a cut of FFr 2bn (£220m) in the administration's running costs. M. Barre subsequently pushed the Budget through Parliament on a confidence vote, a procedure he will use again if no compromise with the Gaullists can be reached.

Continued from Page 1

Kabul

ment's information was that fighting had broken out in several parts of Kabul, including near the radio station and the Durulaman Palace and that Soviet military personnel "in groupings" had been seen moving about the city.

As far as could be ascertained, one official added, there had been neither movement of, nor increase in, the size of the Russian troops force assembled on the Soviet side of the Afghan border. This is estimated at up to 50,000 troops.

However, "hundreds" of Soviet troops were reportedly bivouacked aroun dthe Kabul International Airport.

The U.S., the official said, was continuing to impress on Moscow its dissatisfaction with events in Afghanistan. Yesterday Mr. Thomas J. Watson, the U.S. ambassador to the Soviet Union, met Mr. Mal Tsev, the Soviet Deputy Foreign Minister, to re-emphasise U.S. views.

There are countless theories inside the administration as to why the Soviet Union is becoming more deeply embroiled in Afghanistan. The safest and most obvious conclusion is that President Amin's regime has found it impossible to subdue the opposition and has been obliged to accept Soviet intervention directly.

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